



city of newport beach

CITY MANAGER'S **QUARTERLY BUSINESS REPORT**

april - june 2012



TABLE OF CONTENTS

QUARTERLY FINANCIAL REPORT

- 1 Market Update
- 2 Executive Summary
- 4 Top "3" Revenues
- 8 Other Financial News

BOARDS & COMMISSIONS

- 13 Board of Library Trustees
- 14 Building & Fire Board of Appeals
- 15 City Arts Commission
- 16 Civil Service Board
- 17 Harbor Commission
- 18 Parks, Beaches & Recreation Commission
- 19 Planning Commission

COUNCIL COMMITTEES

- 20 Finance Committee

CITIZENS ADVISORY COMMITTEES

- 21 Citizens Bicycle Safety Committee
- 22 Coastal/Bay Water Quality Citizens Advisory Committee
- 23 Environmental Quality Affairs Citizens Advisory Committee
- 24 Newport Coast Advisory Committee
- 25 Special Events Advisory Committee

COUNCIL-CITIZEN AD HOC COMMITTEES

- 26 Aviation Committee
- 27 Banning Ranch Development Agreement Committee
- 28 General Plan/Local Coastal Program Implementation
- 29 July 4th West Newport Safety Planning Committee
- 30 Neighborhood Revitalization Committee
- 31 Tidelands Management Committee
- 32 Updating Harbor Charges

QUARTERLY PROJECT REPORTS

- 36 Acquisition of Coast Highway
- 38 Civic Center & Park Construction
- 40 Group Residential Uses
- 42 Implement Traffic Management Plan
- 44 Lower Bay Dredging Project
- 46 Marina Park
- 48 Newport Banning Ranch
- 50 Reduce Fire Hazard in Buck Gully
- 52 Rev Priority Area: Balboa Village
- 54 Sunset Ridge Park
- 56 Transportation Fair Share Fee
- 58 West Newport Beach Facility Planning
- 60 Widen Jamboree in the Airport Area



Quarterly Financial Report

city of newport beach | finance department

newportbeachca.gov | 949.644.3127

quarter ending june 30, 2012

MARKET UPDATE

"Uncertainty" has been the word and worry of the financial market for the last several fiscal years. Fiscal Year 2011-12 was no different. While most would agree that the economy is slowly recovering with some trepidation, uncertainty regarding an ultimate resolution to the European debt crisis continues to be the worry of the day. While gross domestic product (GDP) growth over the next few quarters is expected to be positive, the growth rate will likely be sluggish.

Monetary policy in the U.S. remains very accommodative with assurance from the Federal Reserve that the fed funds rate will remain exceptionally low through late 2014. The Federal Open Market Committee (FOMC) announced that it would leave monetary policy unchanged between 0 and .25% and extend "Operation Twist," a program intended to lower interest rates and stimulate the economy, further is an acknowledgement the economy had slowed. The FOMC expects modest improvements in the economy in the upcoming quarters, but nonetheless downgraded its economic forecasts as the feds see significant downside risk to the outlook due to various unresolved uncertainties.



Executive Summary

PRELIMINARY UNAUDITED FISCAL YEAR 2011-12 RESULTS

Overall, the General Fund is expected to close the year \$7.8 million higher than the previous fiscal year. The General Fund balance of approximately \$70.6 million, combined with the Facilities Financing Plan (FFP) fund of \$35.9 million, total in excess of \$106 million in reserves.

The \$7.8 million General Fund balance increase was the net result of many factors including higher than projected revenue performance, management conservation efforts to achieve budgetary savings and bargaining unit cooperation to share pension costs, all of which contributed to a positive end result. A \$10 million increase in the FFP fund was primarily driven by a \$13.5 million development contribution received in July of 2011.

FOR THE FUTURE

Due to strong underlying economic factors in Newport Beach, we believe revenues will continue at their upward trajectory, albeit at a slower pace compared to the pre-recession era. Strong economic factors, good governance and management's commitment to keep expenditures in check are all key factors which bolster the City's prospects of maintaining a long-term structural balance.

In alignment with the City's core values to preserve a high quality physical environment by maintaining and reinvesting in the City's infrastructure, the City has strategically built up reserves to an all-time high at the close of Fiscal Year 2011-12. However, strategic savings plans come with an ultimate plan to reinvest those resources in the community. Consequently, reserve balances are expected to subside modestly in fiscal years 2012-13 and 2013-14 as strategic plans are executed. Examples of these plans include increased contributions to the FFP, increased investments in the City's Information Technology (IT) infrastructure, increased lower bay dredging efforts, increased General Fund capital projects to maintain our streets, alleys and sidewalks, and many other initiatives consistent with our core principles articulated in the Fiscal Year 2012-13 Performance Plan.

The City's budget documents can be found online at newportbeachca.gov/budget.

GENERAL FUND & FACILITIES FINANCING PLAN (FFP) RESERVES

	Audited 2011	Preliminary & Unaudited 2012	Change
Non-spendable	\$ 1,031,742	\$ 832,379	\$ (199,363)
Restricted	1,681,333	2,263,049	581,716
Committed			
Facilities Financing Plan *	31,300,000	4,016,812	(27,283,188)
Contingency Reserve	21,841,467	21,582,798	(258,669)
Recreation Reserves	452,448	484,809	32,361
Parking Reserves	238,876	297,662	58,786
Cable Franchise	1,360,385	1,425,876	65,491
Other Miscellaneous	3,726,726	5,904,702	2,177,976
Assigned			
Capital Reappropriations	2,516,600	603,167	(1,913,433)
PERS Rate Reserve	5,000,000	5,000,000	-
Neighborhood Revitalization	650,000	-	(650,000)
Lower Newport Bay Dredging - Loans	2,500,000	3,800,000	1,300,000
Additional Surplus to FFP	-	1,816,330	1,816,330
IT Strategic Fund	-	3,000,000	3,000,000
Increase to FY 13 CIPs	-	1,600,000	1,600,000
Other Miscellaneous	1,199,235	1,394,133	194,898
Unassigned (Appropriations Reserve)	20,570,033	20,570,033	-
Pre FFP Transfer	94,068,845	74,591,750	(19,477,095)
FFP Transfer Out*	(31,300,000) *	(4,016,812)	27,283,188
General Fund Balance	\$ 62,768,845	\$ 70,574,938	\$ 7,806,093
FFP Fund Balance**	25,625,644	35,930,370	10,304,726
Total General & FFP Reserve	\$ 88,394,489	\$ 106,505,308	\$ 18,110,819

*In FY 11 \$31.3 million was transferred to a separate Facilities Financing Plan Fund.

**The FFP balance grew significantly during FY 12 due to a \$13.5 million developer contribution.

OTHER SIGNIFICANT UNRESTRICTED CASH RESERVES

	2011	Preliminary & Unaudited 2012	Change
Other Strategic Reserves			
Insurance Reserve	\$ 21,562,899	\$ 22,029,633	\$ 466,734
Compensated Absences	2,286,093	1,824,229	(461,864)
Equipment Maintenance	18,582,415	21,445,406	2,862,991
IT Equipment Fund	-	1,588,364	1,588,364
Total Assigned	\$ 42,431,407	\$ 46,887,632	\$ 4,456,225

Top “3” Revenues

PROPERTY TAX

Overall, Property Tax collections finished the year down nearly \$260K or 0.4%, when compared to the previous fiscal year. This was a net result of a \$728K or 1.3% increase in Secured Property Tax revenues and a nearly \$1 million decrease in all other property tax categories. The year-over-year change in Property Tax categories are as follows:

Property Tax Category	YOY Dollar Increase	YOY Percent Increase
Secured Property Tax	\$728k	1.3%
Unsecured Property Tax	-\$233k	-8.7%
Prior Year Taxes, Penalties & Interest	-\$474k	-27.1%
Supplemental Taxes*	-\$349k	-46.3%
All Other Property Taxes	\$68k	0.8%
TOTAL	-\$260k	-0.4%

*As reported in the March 31, 2012, Quarterly Financial Report, the County Assessor's Office has struggled to deliver the Supplemental Roll information to the Treasurer Tax Collector due to a system conversion, so the decrease in Supplemental Tax collection should only be temporary and we should expect to recover most of the shortfall during fiscal year 2012-13 depending on the actual supplemental roll remittances.

SALES TAXES

Sales Tax revenue continues to trend upward, finishing nearly \$1.6 million or 8.5% higher over the prior fiscal year. While improving, this activity remains approximately \$1.8 million or 8.4% below pre-recession levels. These figures still remain an estimate because the final “true-up” information for the economic quarter ended June 30, 2012, will not be available from the State Board of Equalization (BOE) until September 18, 2012.

Based on the latest information that is available from the BOE (quarter ended March 31, 2012), restaurants and auto sales lead the way in overall sales tax generation, while the highest growth industries include light industry (12%), service stations (11%) and apparel stores at (10%) but represent a much less significant portion of overall sales tax generated in the City.

TRANSIENT OCCUPANCY TAXES

Transient Occupancy Taxes (TOT) collections increased \$1.7 million or 13.1% over the prior year. Pelican Hill Resort, the Fairmont and the Island Hotel generated the largest increases to transient tax collections. While up substantially, with the removal of Pelican Hill Resort remittances, which opened at the height of the recession, TOT revenues would still be well short of pre-recession levels similar to Sales Tax revenues.

Top “3” Tax Categories	YOY Dollar Increase	YOY Percent Increase
Property Taxes	-\$260k	-0.4%
Sales Taxes	\$1,600k	8.5%
Transient Occupancy Taxes	\$1,700k	13.1%

GENERAL FUND COMPARATIVE INCOME STATEMENT

	Fiscal Year			
	2011	Preliminary & Unaudited 2012	\$ Change	% Change
General Fund Revenues:				
Property Taxes	\$ 71,630,345	\$ 71,369,822	\$ (260,523)	-0.36%
Sales Taxes	18,455,181	20,014,950	1,559,769	8.45%
Sales Taxes In Lieu	6,284,266	6,523,492	239,226	3.81%
TOT Taxes	13,082,451	14,798,661	1,716,210	13.12%
All other Revenues	41,283,081	42,392,171	1,109,090	2.69%
Total Revenues	150,735,324	155,099,096	4,363,772	2.89%
General Fund Expenditures:				
General Government *	14,934,808	11,838,586	(3,096,222)	-20.73%
Public Safety **	57,177,787	67,712,425	10,534,638	18.42%
Public Works	24,669,717	26,299,554	1,629,837	6.61%
Community Development	7,644,104	8,494,943	850,839	11.13%
Community Services	14,215,086	17,738,746	3,523,660	24.79%
Capital outlay	2,085,096	4,366,794	2,281,698	109.43%
Debt Service	961,139	780,000	(181,139)	-18.85%
Total Expenditures	121,687,737	137,231,048	15,543,311	12.27%
Income before transfers & other sources	29,047,587	17,868,048	(11,179,539)	-38.49%
Other Financing Sources (Uses)				
Transfers in	331,088	69,511	(261,577)	-79.01%
Transfers out (Excluding FFP Transfer) ***	(17,467,696)	(6,114,653)	11,353,043	-64.99%
Total other financing sources (uses)	(17,136,608)	(6,045,142)	11,091,466	-62.81%
Net Change in Fund Balance (Pre FFP Transfer) ***	11,910,979	11,822,906	(88,073)	-0.74%
Fund Balances, beginning	82,157,866	62,768,845	(19,389,021)	-23.60%
General Fund, Ending (Pre FFP Transfer) ***	94,068,845	74,591,751	(19,477,094)	-20.71%
FFP Transfer Out ***	(31,300,000)	(4,016,812)	27,283,188	-87.17%
General Fund Balance, ending (Post FFP Transfer) ***	\$ 62,768,845	\$ 70,574,939	\$ 7,806,094	12.44%

*Formerly a part of General Government, a separate IT cost center was created and distributed across all departments during FY 12.

**During FY 12, revisions to the cost allocation methodology for distributing Fire Department costs to the Tidelands Fund resulted in a significant increase to the Public Safety charge to the General Fund but also reduced the General Fund subsidy of the Tidelands Fund.

***In FY 11, \$31.3 million was transferred to a separate Facilities Financing Plan (FFP) Fund.

FACILITIES FINANCING PLAN

Council Policy F-28, Facilities Replacement Program, approved in August 2009, establishes a long-term facilities financing plan (FFP) for the replacement of all General Fund-supported facilities (Civic Center, fire stations, police station and parks). The FFP provides a consistent, level funding plan to minimize negative impacts on the General Fund in any given year, while also ensuring the City is able to maintain its high quality facilities.

FFP revenues include transfers from the General and other funds, developer contributions and investment income. FFP expenditures include cash funding of construction projects as well as the debt service on debt funded capital projects. The first beneficiaries of the FFP include

the popular OASIS Senior Center that reopened in 2010 and the new Civic Center, currently under construction. Other planned uses of the fund include Sunset Ridge Park, Marina Park, West Newport Community Center and Fire Station 2 located next to the existing City Hall, not to mention many other planned facilities projects.

As depicted in the chart above, the preliminary unaudited balance of the FFP Reserve was \$35.9 million at the close of FY 12 on June 30, 2012.

COMPARATIVE INCOME STATEMENT

	Audited 2011	Preliminary & Unaudited 2012
Beginning Balance 7/1/11	\$ -	\$ 25,625,644
Revenues		
Transfer In	31,300,000	5,057,585 *
Interest Income	275,381	343,796
Developer Contributions	-	13,545,000
Total Revenues	31,575,381	18,946,381
Expenditures		
2010 Civic Center COPs Debt Service	(682,755)	(8,165,374)
OASIS Construction Contribution	(5,266,982)	-
Civic Center Signage Contribution	-	(476,281)
Total Expenditures	(5,949,737)	(8,641,655)
Ending Balance 6/30/12	\$ 25,625,644	\$ 35,930,370

*Includes a General Fund transfer of \$4,016,812 and residual transfer from the final close-out of the OASIS Construction Fund.

GENERAL AND TIDELANDS FUNDS EXPENDITURES BY DEPARTMENT

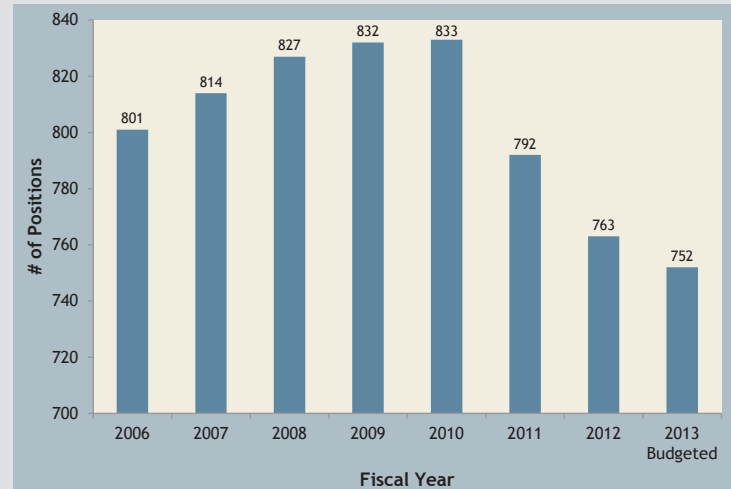
Department	FY 2011-12				FY 2010-11	
	Amended Budget	Preliminary 6/30/12	Variance	Percent Expended	Audited 6/30/11	Percent Expended
City Council	\$ 1,136,927	\$ 1,071,895	\$ 65,032	94%	\$ 1,150,733	99%
City Clerk	568,399	583,502	(15,103)	103%	453,521	90%
City Manager	1,979,009	2,003,307	(24,298)	101%	3,725,021	86%
Human Resources	2,549,399	2,654,631	(105,232)	104%	2,179,992	92%
City Attorney	2,302,827	2,001,771	301,057	87%	2,734,090	103%
Finance	7,496,593	7,013,005	483,588	94%	7,849,470	95%
Police	42,579,783	40,864,906	1,714,876	96%	41,717,033	96%
Fire	35,209,923	34,447,689	762,234	98%	33,343,269	96%
Planning	3,265,282	3,090,979	174,304	95%	2,962,531	90%
Building	5,793,440	5,636,256	157,183	97%	4,265,660	98%
MOD	22,582,307	22,088,211	494,096	98%	20,992,892	94%
Library	7,874,274	7,360,090	514,184	93%	6,598,199	95%
Recreation	8,756,586	8,407,435	349,151	96%	7,296,534	93%
Public Works	8,203,684	7,972,410	231,274	97%	5,701,252	95%
Electrical	1,918,786	1,713,934	204,852	89%	1,883,950	86%
C.I.P.	14,537,118	13,584,763	952,356	93%	5,277,128	50%
OPEB	2,314,000	2,314,000	-	100%	2,128,000	100%
FFP	4,016,812	4,016,812	-	100%	31,300,000	100%
Debt Service	1,551,057	1,551,057	-	100%	1,002,062	99%
Total	\$ 174,636,207	\$ 168,376,653	\$ 6,259,554	96%	\$ 182,561,336	93%

Chart includes encumbrances.

MANAGEMENT AND EXPENDITURE TRENDS

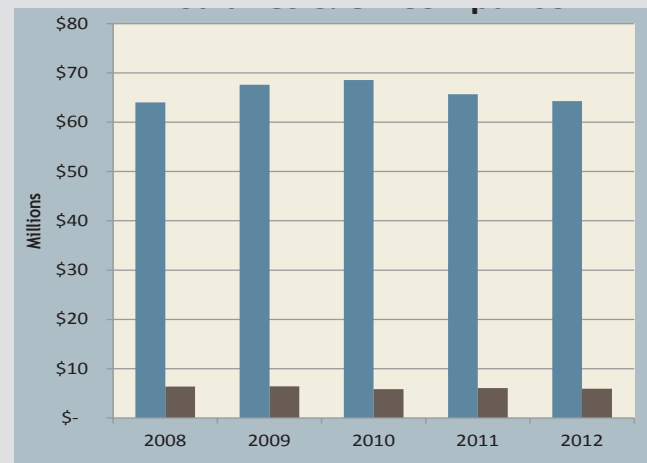
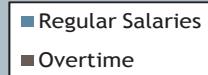
Full Time Positions Trend

The chart to the right demonstrates the sharp decline in full-time positions to mitigate recent declines in revenues and rising pension costs.



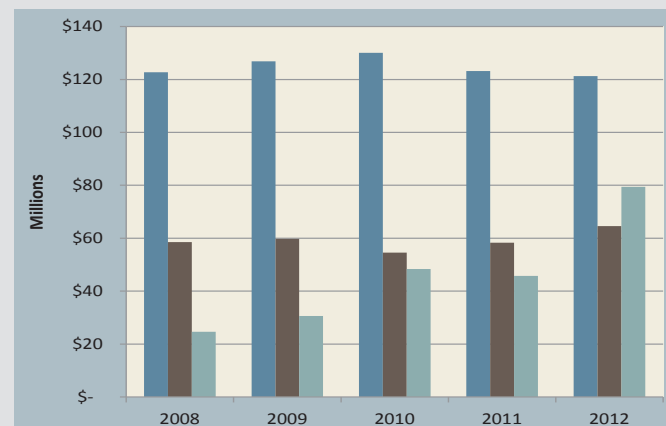
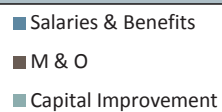
Salaries & Overtime Comparison

The chart to the right illustrates salaries are down \$1.4 million or 2% in FY 2012 in a year-over-year comparison. It also demonstrates overtime has been held flat even while salaries and full-time positions have been declining.



Expenditure Trends-All Funds

The chart to the right depicts a decline in salary and benefit costs despite sharply increasing pension costs. Maintenance and operations costs are increasing reflecting the trend to outsource operating activities. It also demonstrates a dramatic shift of resources to maintain, renovate and rebuild capital facilities.



Other Financial News

Following is some important financial news that has developed since the close of the quarter.

ASSESSED PROPERTY VALUES

On July 27, 2012, the Orange County Assessor's Office released the changes to the FY 2012-13 property tax roll for all Orange County cities. Newport Beach's secured and unsecured tax roll increased \$1.1 billion or 2.87%, the second in overall assessed value in the County. This increase was the fourth highest in the County. While the assessed property tax growth is positive news and perhaps is another signal the worst of the housing market woes are over, the budgetary impact is relatively insignificant because the ending FY 2011-12 base value for our projected increase was slightly lower than projected and we have already factored in a nearly 1.75% increase in the FY 2012-13 budget. Overall, we may only realize an additional \$300,000 increase over what was initially forecasted. Though small, it is still better than what other cities may be facing with the loss of redevelopment funding and other economic factors.

CITY'S BOND RATING AND CREDIT RATING

In the wake of recent media attention about the likelihood of some California cities declaring bankruptcy due to continued fiscal and economical distress, two major rating agencies, Moody's and Fitch, are updating their ratings analyses of California cities and are expected to downgrade some municipal ratings. However, on August 20, 2012, Fitch affirmed the City's AA+ rating on the Civic Center Certificates of Participation (COPs) and the City's AAA implied general obligation (GO) rating.

In its report, Fitch outlines "key rating drivers" that led them to affirm the City's AAA implied GO rating. One such "driver" is the current and expected performance of the local economy. Many of Newport Beach's underlying economic characteristics have remained strong through the economic downturn, as demonstrated by our low unemployment rate that is nearly half of the state rate; our very high wealth levels confirmed by a per capita income almost three times the national average; and, a stable housing market with stable assessed valuation resulting in growing property tax revenues. These factors are expected to remain above average, thus demonstrating the continued overall strength of the local economy.

In addition to economic factors, Fitch stated that the City's "financial management policies are impressive" and management has implemented strategies to ensure strong financial performance. The report went on to state, "management has proven successful in expenditure savings including labor salary and pension concessions and Fitch expects the city will maintain strong financial performance and very high reserve levels." In four of the past five fiscal years, the City's successful actions in reducing expenditures to mitigate recent declines in revenues, has produced net surpluses. Some of the examples of the City's proactive approach used to maintain our long-term structural balance were noted in the report and include "superior financial management," "impressive financial policies," the "15-step fiscal sustainability plan" and "working with ... bargaining units to balance rising pension and salary costs".

Fitch's affirmation of the City's AAA implied GO rating shows the current overall fiscal strength of the City, as well as the anticipated fiscal strength moving forward.

ASSESSMENT DISTRICT REFINANCING

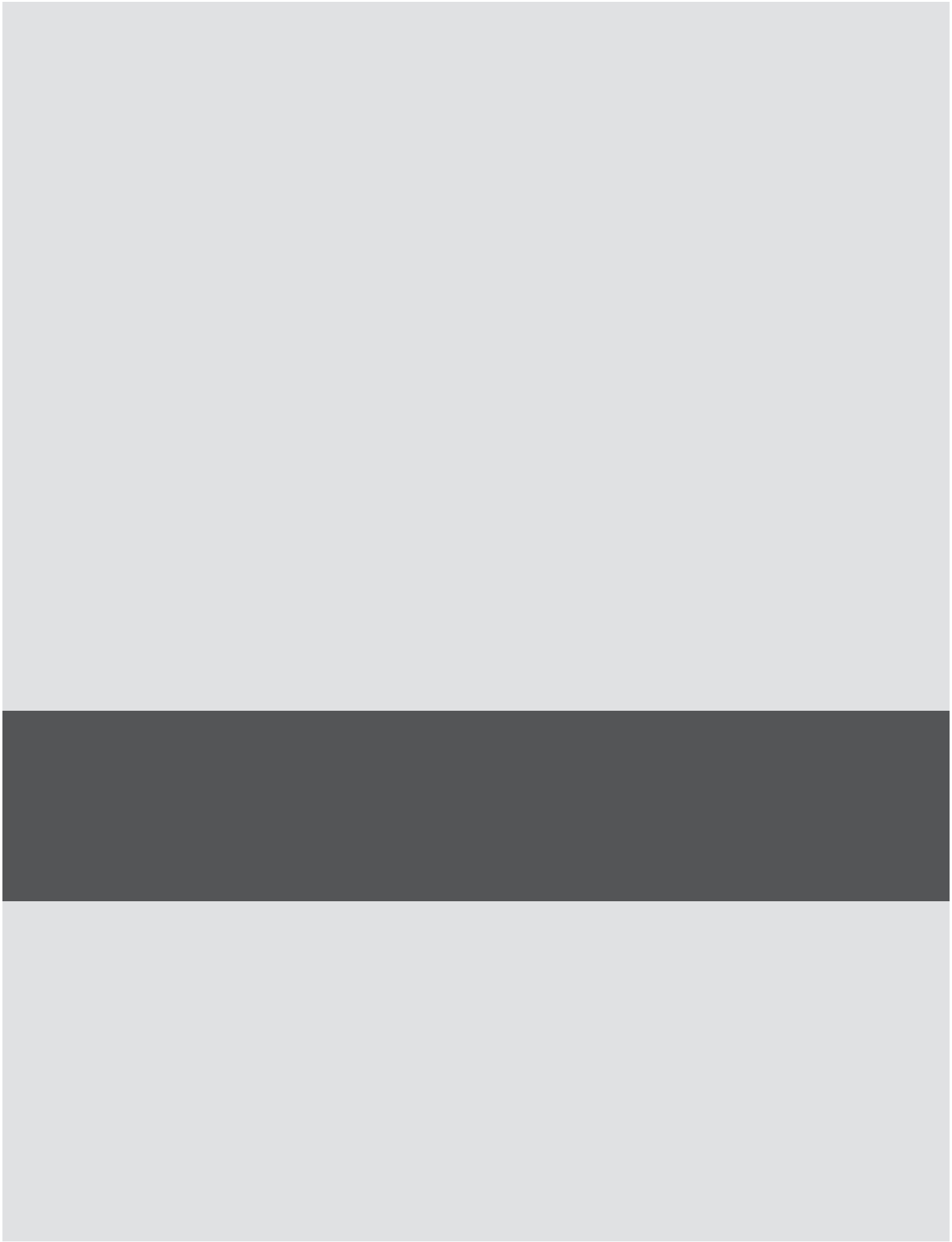
The City has participated in the formation of numerous special assessment districts to finance public improvements that provide a special benefit to area-specific property owners. On June 26, 2012, City Council approved the refinancing of 14 existing Assessment Districts into one Reassessment District. The refinancing transaction successfully closed on Monday, July 2. The new financing rate of 2.26% achieved a total financial savings of \$3.2 million to assessed parcel owners and a savings in excess of \$1.1 million on a net present value (NPV) basis. Approximately 1,893 parcels will experience savings ranging from \$98 to \$887 per parcel per year. The savings will be applied beginning with the 2012-2013 assessment roll. The savings by district are outlined in the chart to the right.

In addition, staff was directed to distribute remaining construction fund surplus totaling \$834,845 in Assessment Districts 92, 99-2, and 101. Approximately 612 parcels received either a cash refund or a reduction to their total outstanding assessment via a bond call and/or levy credit.

For those parcels in which the original assessment was prepaid or subsequently paid off, a direct refund check was issued to the current property owner. On August 31, approximately 295 direct refund checks, totaling \$369,504 were issued. The total individual property refund was calculated in the same pro rata share as the original confirmed assessment, and the refund amount per check ranged from \$246 to \$13,375.

For those property owners who chose not to prepay the assessment, the City issued bonds to finance their share of the construction. The remaining \$465,341 of the construction surplus was used to redeem outstanding bonds to the fullest extent possible, with the remaining balance applied as levy credit. As with the direct refunds, the total individual property credit was calculated in the same pro rata share as the original confirmed assessment, and 317 parcels received a reduction to their total outstanding assessment ranging from \$118 to \$15,649.

<i>District</i>	<i>Average Annual Savings</i>	<i>Average Annual Savings Per Parcel</i>
68	\$ 38,342	\$121
69	53,217	146
70	16,620	112
74	4,706	121
75	11,298	155
78	33,882	239
79	23,189	483
82	7,345	319
86	5,566	98
92	33,700	887
99-2	47,246	442
100	24,142	141
101	50,086	280
103	24,746	119



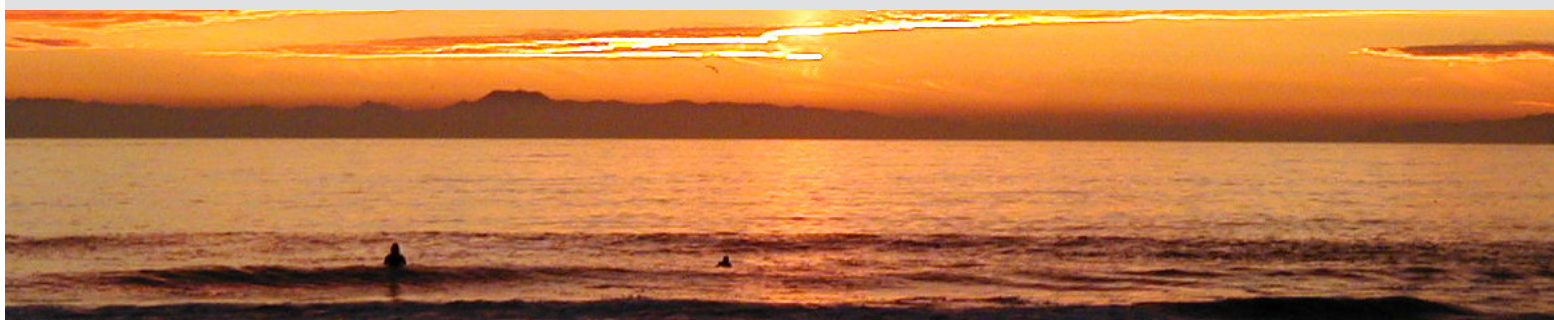
Boards, Commissions & Committees Report

city of newport beach | city manager's office

newportbeachca.gov | 949.644.3001

quarter ending june 30, 2012

Many Newport Beach citizens give their time to assist and advise the City Council on issues facing the legislative body. Service on City Boards, Commissions and Committees is one of the principal means by which citizens can participate in local government. There are numerous active Boards, Commissions and Committees which meet on a regular basis. Each group has City staff which supports these efforts in a variety of ways. The attached reports offer a reflective look at the current work of each group and the direction they are taking.



Board of Library Trustees

PURPOSE:

Appointed by the Newport Beach City Council, the Board of Library Trustees is a policy-making board responsible for the administration of City libraries. The Board considers the annual budget for library purposes during the process of its preparation and makes recommendations to the City Council and City Manager. The Board also approves or disapproves the appointment, suspension, or removal of the Library Services Director. Subject to the approval of the City Council, the Board accepts money, personal property, or real estate donated to the City for library purposes, and contracts with schools, county, or other governmental agencies to render or receive library services or facilities.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 708

COMMITTEE MEMBERS:

Lynn Crutchley (Chair), Stephanie Murguia, Jerry King, Jill Johnson-Tucker, Eleanor M. Palk

LENGTH OF TERM FOR MEMBERS:

The five members of the board serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The first Monday each month, unless otherwise noticed.

STAFF LIAISON:

Cynthia Pulliam Cowell, MLS,
Library Services Director

STAFF SUPPORT:

Staff allocates approximately 22 hours a month to this board.



QUARTERLY PROGRESS REPORT

The Board of Library Trustees met this quarter to discuss, review, or approve the following items:

- Internet Use Policy - approved the agenda item to amend the Library's Internet Use Policy by including updated links to informational websites pertaining to Internet safety for minors.
- Wish Lists - approved the wish lists prepared by the Library Administration which will be submitted to the Friends of the Library and to the Newport Beach Public Library Foundation support groups.
- Holiday Closure: requested staff to prepare a report detailing staffing requirements and operating costs associated with providing Library service during the proposed holiday closure.

Visit the library online at newportbeachca.gov/nbpl.

Building & Fire Board of Appeals

PURPOSE:

Determine the suitability of alternate materials and methods of construction; to provide for reasonable interpretations of the provisions of the Building and Fire Codes; to hear written appeals regarding the Chief Building Official's or Fire Marshal's determinations.

COMMITTEE AUTHORIZATION:

Uniform Administrative Code, Section 201 and NBMC 15.02.120

COMMITTEE MEMBERS:

Vacant (Chair), Robert W. Yant (Vice Chair), James Anderson, Ernie Liske, Richard R. Luehrs, Stephen Sandland, and Vacant

LENGTH OF TERM FOR MEMBERS:

The seven members of the board serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Kevin Kitch, Chief Fire Marshal
Seimone Jurjis, Chief Building Official

STAFF SUPPORT:

When the board is called into session, staff allocates approximately six hours to each session. Costs for services are recovered by the payment of appeal application fees established by City Council resolution. If an item presented to the Board is staff generated, then no fees are recovered.

QUARTERLY PROGRESS REPORT:

The board did not meet during this quarter. Applications are being accepted for two vacant seats on the board.

City Arts Commission

PURPOSE:

Appointed by City Council, the City Arts Commission acts in an advisory capacity to the City Council in all matters pertaining to artistic, aesthetic and cultural aspects of the City. The City Arts Commission also recommends to the City Council the adoption of such ordinances, rules and regulations as it may deem necessary for the administration and preservation of fine arts, performing arts, historical, aesthetic and cultural aspects of the community. On behalf of the City, the Arts Commission actively encourages programs for the cultural enrichment of the community and performs such other duties relating to the arts as the City Council may require.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 712

COMMITTEE MEMBERS:

Robyn Grant (Chair), Robert Smith (Vice Chair), Rita Goldberg (Secretary), Carole Boller, Christopher Trela, Arlene Greer, Gilbert Lasky

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The second Thursday each month, unless otherwise noticed.

STAFF LIAISON:

Jana Barbier, Cultural Arts Coordinator

STAFF SUPPORT:

Staff allocates approximately 40 hours a month to this commission.



QUARTERLY PROGRESS REPORT:

The City Arts Commission met this quarter to discuss, review, or approve the following items:

- Newport Beach Art Exhibition and Sale – hosted the April 14 art exhibition, sale and reception for approximately 75 artists with presentation of awards and certificates by the Mayor and Commissioners.
- Art exhibitions - requested new installation at OASIS Senior Center for two months, and at the Central Library through August.
- Concerts in the Parks – hosted first of series on June 10 with Jerry Mandel Jazz Band at Grant Howald Park in Corona del Mar to a full-capacity crowd.

Projected Tasks:

- Museum tour – planning an October 2 visit to the “Cleopatra” exhibition at the California Science Center.
- Civic Center – discussion of multi-media/electronic photo display; and consideration of public art for display in the park and buildings.
- Budget – finding ways to recover funds earned through museum tour program; and received an additional \$5,000 for Commissions expenditure budget.

More information on the City's cultural arts programs can be found online at newportbeachca.gov/culturalarts.

Civil Service Board

PURPOSE:

Advise the Council on personnel matters, recommend changes to the Civil Service System Rules and Regulations, conduct appeal hearings of City employees for disciplinary issues and launch personnel administration investigations for City employees covered by one of the Safety Bargaining Units (FFA, FMA, LMA, NBPA and PMA) and report its findings to City Council and Manager.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Sections 710 & 711

COMMITTEE MEMBERS:

Debra Allen (Chair), Douglas Coulter, James "Mickey" Dunlap (Vice Chair), Hugh Logan and Maigual Talbot

LENGTH OF TERM FOR MEMBERS:

The five members of the board serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The first Monday each month, unless otherwise noticed.

STAFF LIAISON:

Terri Cassidy, Human Resources Director
Jyll Ramirez, Admin. Assistant to the HR Director

STAFF SUPPORT:

Staff allocates approximately 20-25 hours a month to this board.

QUARTERLY PROGRESS REPORT:

The Civil Service Board met this quarter to discuss, review, or approve the following items:

- Training - Effective Meeting Training for Boards, Commissions and Committees
- Welcomed new staff - Assistant Police Chief David McGill and Assistant Fire Chief Kevin Kitch
- Appeal hearings – scheduled upcoming closed hearing of a Non-Civil Service System employee
- Privacy and confidentiality – upheld City policies and laws while facilitating communications between legal representatives and board members.

Harbor Commission

PURPOSE:

The purpose of the Harbor Commission is to provide the City of Newport Beach with an advisory body representing the diverse uses of Newport Harbor and its waterfront.

- A. Advise the City Council in all matters pertaining to the use, control, operation, promotion and regulation of all vessels and watercraft within the Newport Harbor.
- B. Approve, conditionally approve, or disapprove applications on all harbor permits where the City of Newport Beach Municipal Code assigns the authority for the decision to the Harbor Commission.
- C. Serve as an appellate and reviewing body for decisions of the City Manager on harbor permits, leases, and other harbor-related administrative matters where the City of Newport Beach Municipal Code assigns such authority to the Harbor Commission.
- D. Advise the City Council on proposed harbor-related improvements.
- E. Advise the Planning Commission and City Council on land use and property development applications referred to the Harbor Commission by the City Council, Planning Commission, or the City Manager.
- F. Make recommendations to the City Council for the adoption of regulations and programs necessary for the ongoing implementation of the goals, objectives, and policies of the Harbor and Bay Element of the General Plan.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 702

COMMITTEE MEMBERS:

Ralph Rodheim (Chair), Duncan McIntosh, Brad Avery, David Girling, Doug West, Marshall Duffield, Karen Rhyne and City Council Liaison Mayor Gardner

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years on a staggered basis.



FREQUENCY OF MEETINGS:

The second Wednesday of each month, unless otherwise noticed.

STAFF LIAISON:

Chris Miller, Harbor Resources Manager
Shannon Levin, Harbor Resources Supervisor

STAFF SUPPORT:

Staff allocates approximately 25 hours per month to this commission.

QUARTERLY PROGRESS REPORT:

The Harbor Commission met this quarter to discuss, review, or approve the following items:

- Appeal - dock reconfiguration at 209 Via Lido Soud
- Presentation - California Ships to Reefs
- Project update - Newport Bay Marina
- Workshop - guidance and overview of basic laws and procedures
- Vessel Cheyenne – future moorage in Newport Harbor and potential City partnership
- Appointments - dredging task force, anchorage subcommittee and Tidelands Management Committee Citizen's Advisory Panel

The City's Harbor Guide is available online at newportbeachca.gov/harborguide.

Parks, Beaches & Recreation Commission

PURPOSE:

- A. Act in an advisory capacity to the City Council in all matters pertaining to parks, beaches, recreation, parkways and street trees.
- B. Consider the annual budget for parks, beaches, recreation, parkways and street tree purposes during the process of its preparation and make recommendations with respect there to to the City Council and the City Manager.
- C. Assist in the planning of parks and recreation programs for the inhabitants of the City, promote and stimulate public interest therein, and to that end solicit to the fullest extent possible the cooperation of school authorities and other public and private agencies interested therein.
- D. Establish policies for the acquisition, development and improvement of parks, beaches and playgrounds and for the planting, care and removal of trees and shrubs in all parks, playgrounds and streets, subject to the rights and powers of the City Council.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Section 709

COMMITTEE MEMBERS:

Phillip Lugar (Chair), Kathy Hamilton (Vice Chair), Tom Anderson, Ron Cole, Roy Englebrecht, Marie Marston and Jack Tingley

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years on a staggered basis.

FREQUENCY OF MEETINGS:

The first Tuesday each month, unless otherwise noticed

STAFF LIAISON:

Laura Detweiler, Recreation & Senior Services Dir.
Mark Harmon, Municipal Operations Director



STAFF SUPPORT:

Staff allocates approximately 57 hours per month to this commission. This includes staff from the Recreation & Senior Services Department and the Municipal Operations Department.

QUARTERLY PROGRESS REPORT:

The Parks, Beaches & Recreation Commission met this quarter to discuss, review, or approve the following items:

- Bench Donation Policy B-17 - forwarded to City Council for review and approval.
- Training - Effective Meeting Training for Boards, Commissions and Committees.
- Presentation - ExplorOcean / Newport Harbor Nautical Museum.
- Street Tree designations - two forwarded to City Council for review and approval.
- Reforestation requests - two approved.
- Special tree removal — forwarded to City Council for review and approval.

Planning Commission

PURPOSE:

The Planning Commission has the following duties as established by the City Charter:

- A. After a public hearing thereon, recommended to the City Council the adoption, amendment or repeal of a Master Plan, or any part thereof, for the physical development of the City;
- B. Exercise such control over land subdivisions as is granted to it by ordinance not inconsistent with the provisions of the Charter;
- C. Make recommendations to the City Council concerning proposed public works and for the clearance and rebuilding of blighted or substandard areas within the City; and
- D. Exercise such functions with respect to zoning and land use as may be prescribed by ordinance not inconsistent with the provisions the Charter.

COMMITTEE AUTHORIZATION:

City Charter, Article VII, Sections 706/707

COMMITTEE MEMBERS:

Michael Toerge (Chair), Bradley Hillgren (Vice Chair), Fred Ameri (Secretary), Tim Brown, Kory Kramer, Jay Meyers, and Larry Tucker.

LENGTH OF TERM FOR MEMBERS:

The seven members of the commission serve for a term of four years.

FREQUENCY OF MEETINGS:

Twice per month on the Thursday preceding City Council meetings unless otherwise noticed.

STAFF LIAISON:

Kimberly Brandt, Community Development Director

STAFF SUPPORT:

Staff allocates approximately 25 hours per month to this commission.

QUARTERLY PROGRESS REPORT:

The Planning Commission met this quarter to discuss, review, or approve the following items:

- Capital Improvement Program - determined consistent with General Plan
- Rules and Procedures of the Planning Commission - amended
- Balboa Village Implementation Plan - reviewed
- Mariner's Point - completed review of architectural details

Public Hearings:

- Newport Banning Ranch – recommended approval of the EIR and the project following five study sessions and three public hearings.
- Development applications – approved three development applications and provided a recommendation to the City Council regarding an on-going appeal application for Ocean Avenue.
- Newport Place Planned Community – recommended approval of an amendment to PC-11 to allow affordable housing in compliance with Housing Element.

Projected Tasks:

- Amendment to the Telecommunications Ordinance

Finance Committee

PURPOSE:

Responsible for fiscal governance, the Finance Committee reviews and monitors events and issues which may affect the financial status of the City and oversees adherence to the 15-Point Fiscal Sustainability Plan.

COMMITTEE AUTHORIZATION:

Established by Resolution 94-110

COMMITTEE MEMBERS:

Council Member Curry (Chair), Council Member Daigle and Council Member Henn

LENGTH OF TERM FOR MEMBERS:

Pursuant to Council Policy A-9, the Mayor makes annual appointments, subject to Council confirmation. There is no limit on the term Council Members may serve.

FREQUENCY OF MEETINGS:

Quarterly, with an additional meeting during budget season.

STAFF LIAISON:

Dan Matusiewicz, Finance Director

STAFF SUPPORT:

Staff allocates approximately 20 hours per month to this committee. (It should be noted that the majority of the materials and reports provided to the Finance Committee are typical financial reports that would need to be produced and reviewed regardless of the Finance Committee's existence.)

QUARTERLY PROGRESS REPORT:

The Finance Committee met in May and June to discuss, review, or approve the following items:

- Quarterly Financial Report - briefing on the current financial status reported for the third quarter ending March 31, 2012, of Fiscal Year 2011-12 as well as proposed General Fund budget estimates for Fiscal Year 2012-13.
- Reviewed details of the proposed Fiscal Year 2012-13 budget and checklist.
- Considered recommendation to refinance existing 1915 Act Assessment District bonds into one Reassessment District to achieve financial savings for assessed parcel owners and reducing administrative costs.
- Reviewed and recommended approval of an amendment to the CPS parking meter contract to simplify the payment structure and eliminate costly financing charges for the purchase of equipment and infrastructure.
- Discussed the proposed amendment to GASB Statement No. 25 on pension reporting and disclosure requirements.
- Met with the City's external audit firm to review the Comprehensive Annual Financial Report audit work plan for the Fiscal Year ending June 30, 2012.
- Provided direction on further refinements to the updated facilities financing plan for strategic planning purposes.

The City's budget documents can be found online at newportbeachca.gov/budget.

Citizens Bicycle Safety Committee

PURPOSE:

Promote bicycle safety and responsible cycling within the City through public outreach, bicycle facility improvements, and review of City policies and practices related to bicycles.

COMMITTEE AUTHORIZATION:

Resolution 2010-99

COMMITTEE MEMBERS:

Mayor Gardner, Sean Matsler, Denis LaBonge, Anthony Petros, Michael Alt, Lou Cohen, Bob Kahn, Frank Peters

LENGTH OF TERM FOR MEMBERS:

The seven members of the committee serve for a term of one year.

FREQUENCY OF MEETINGS:

The second Monday each monthly, unless otherwise noticed.

STAFF LIAISON:

Brad Sommers, Senior Civil Engineer

STAFF SUPPORT:

Staff from the Public Works Department, GIS Division and Police Department allocates approximately 50-100 hours per month to this committee. In addition, this quarter the Police Department's Traffic Division conducted two bicycle safety operations for a total of 30 hours.



QUARTERLY PROGRESS REPORT:

To date, City staff with the assistance of the Bicycle Committee has completed the following:

- Education and outreach – Police Department held a bicycle safety enforcement day in May.
- Bicycle facility improvements – the committee voted in favor of installation of Sharrows (Shared Lane Markings) on Coast Hwy in Corona del Mar. Staff resubmitted design plans for bicycle improvements at the Newport Coast/SR73 Ramps interchange.

Next Step:

The committee will continue to pursue its goal of promoting bicycle safety and responsible cycling within the City through public outreach, bicycle facility improvements, and review of City policies and practices related to bicycles.

Find out more on bicycle safety and trails at newportbeachca.gov/bicycle.

Coastal/Bay & Water Quality Committee

PURPOSE:

The Committee advises and makes recommendations to the City Council on water quality/water conservation policies, projects and programs that will achieve the Committee's mission and the City Council's priorities:

- Educate the watershed's population about the value of Newport Bay and the ocean;
- Enforce and/or strengthen existing regulations on actions that impair water quality or wildlife habitat;
- Advocate for policies, programs and projects that improve the water quality of Newport Bay and the ocean;
- Oppose policies, programs or projects that detract from good water quality in the Newport Bay watershed and the ocean; and
- Develop, fund, and monitor water quality initiatives, including testing and structural projects, that meet the Committee's mission.

COMMITTEE AUTHORIZATION:

Resolution 2003-63

COMMITTEE MEMBERS:

Mayor Gardner (Chair), Council Member Henn (Vice Chair), Roberta Jorgensen, Jim Miller, George Robertson, Randy Seton, Tom Houston, Janet Rappaport, Dennis Baker

LENGTH OF TERM FOR MEMBERS:

The three Council Members (currently, there is one vacancy) and seven citizen members serve for a one-year term subject to renewal by the City Council.

FREQUENCY OF MEETINGS:

The second Thursday each monthly, unless otherwise noticed.

STAFF LIAISON:

John Kappeler, Water Quality Manager

STAFF SUPPORT:

Staff allocates approximately 30 hours a month to this committee.

QUARTERLY PROGRESS REPORT:

The Coastal/Bay and Water Quality Committee met this quarter to discuss, review, or approve the following items:

- Water quality projects and programs – reviewed the Lower Buck Gully project; Newport Bay Sediment Total Maximum Daily Load (TMDL) program and received an update on Copper Contamination and Toxicity in the Bay.
- Presentations – Green Gardens Group (G3); Coastal Dolphin Research program and received an update on the Orange County Transportation Authority (OCTA) Environmental Cleanup Program.

Projected Tasks:

- Big Canyon project
- Rhine Channel project wrap up
- Prop 84 ASBS grant program
- Desalination project
- Balboa Island seawall update
- Bacteriological Dry-Weather Runoff Gutter Study (Phase III)
- Runoff reduction program – ET Controller project update
- Senate Bill – SB 1447
- Irvine Ranch Water District – Natural Treatment System (NTS)
- Various educational programs and water quality grant programs

Environmental Quality Affairs Committee

PURPOSE:

The mission of the Environmental Quality Affairs Committee (EQAC) is to protect and enhance the environmental quality of the City for the health and enjoyment of residents and visitors. When directed by the City Council EQAC:

- A. Reviews and submits comments on Notices of Preparation (NOP) and/or the Notice of Completion (NOC) with respect to any Environmental Impact Report (EIR) prepared by the City;
- B. Reviews and submits comments on behalf of the City (subject to City Council or City Manager approval) on environmental documents prepared by other public agencies for projects that have the potential to cause significant adverse environmental impacts within the City;
- C. Reviews and submits comments on any negative declaration prepared by the City for any project;
- D. Advises the City Council on policies, programs and projects that improves or detracts from the environmental quality of the City; and
- E. promotes education and awareness on positive environmental practices.

COMMITTEE AUTHORIZATION:

Established by Resolution No. 87-14

COMMITTEE MEMBERS:

Mayor Gardner, Debbie Stevens (Chair), Kimberly Jameson, Merrit Van Sant, Barbara Thibault, Laura Meier, Nick Roussos, Joan Penfil, Bruce Asper, Kevin Kelly, Laura Curran, Vincent Lepore, Kevin Nolen, Kathy Harrison, Sandra Haskell, Timothy Stoaks, and Charles McKenna. There are six vacancies, including the second City Council member seat.



LENGTH OF TERM FOR MEMBERS:

The members of the committee serve for a term of four years on a staggered basis for a maximum of two consecutive terms.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Patrick Alford, Planning Manager

STAFF SUPPORT:

None at this time.

QUARTERLY PROGRESS REPORT:

On June 12, 2012, City Council directed the Committee to review and submit comments on the draft environmental impact reports for the Uptown Newport, Westcliff Medical Arts Building, and Back Bay Landing Mixed-Use projects.

Newport Coast Advisory Committee

PURPOSE:

Advise the City in the implementation of the Newport Coast Annexation Agreement and any other issue relating to Newport Coast, Newport Ridge, or Crystal Cove.

COMMITTEE AUTHORIZATION:

Established by Resolution 2001-81

COMMITTEE MEMBERS:

Three members appointed by the City, four appointed by the Newport Coast Committee of 2000 (NCC2K). Current membership includes Mayor Gardner, Council Member Curry, Jim McGee (Chair), Gerry Ross (Vice Chair), Daniel Wampole and one vacancy

LENGTH OF TERM FOR MEMBERS:

The seven members of the committee serve for a term of three years.

FREQUENCY OF MEETINGS:

In recent years, called as needed.

STAFF LIAISON:

Dave Kiff, City Manager

STAFF SUPPORT:

Minimal given that the committee has not met in recent years.



QUARTERLY PROGRESS REPORT:

This committee cannot be disbanded without violating the Newport Coast Annexation Agreement, which calls for its creation and maintenance. This committee met frequently - monthly at least - in 2001, 2002, and for a few years after the January 1, 2002 annexation of the Newport Coast community. With the community center completed and operating, fairly few issues arise that require the committee to meet. Committee members remain relatively active in City issues, and very active in Newport Coast issues (typically via their Master Homeowners Associations).

Special Events Advisory Committee

PURPOSE:

The Special Events Advisory Committee (SEAC) was formed to assist the City Council in evaluating requests for City support of community events. The Committee assesses every application for City support based upon each event's ability to meet all or most of the established evaluation criteria. The Council relies upon the committee's recommendation when making event support funding decisions.

COMMITTEE AUTHORIZATION:

Established by Resolution No. 2009-22.

COMMITTEE MEMBERS:

Assistant City Manager Dana Smith (Chair, non-voting member), Paul Blank, Judy Brower, Janis Dinwiddie, Marshall Topping, Vicki Higgins, Jeffrey Cole

LENGTH OF TERM FOR MEMBERS:

The committee is ongoing until such time as the need for the committee no longer exists.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Tara Finnigan, Public Information Manager

STAFF SUPPORT:

Staff allocates approximately 10 hours per month to this committee.

QUARTERLY PROGRESS REPORT:

Fifteen organizations submitted applications seeking City support for special events occurring between July 1, 2012 and June 30, 2013. The committee members individually reviewed each application and then met as a committee on March 26 and April 2 to conduct brief interviews with each applicant during open, public meetings.

After the interviews, each committee member scored the applications individually and then the committee scores were collected and averaged. The events were ranked according to their averaged scores. Before finalizing the rankings, the committee reviewed the list as a whole and moved one event one spot higher in its rankings.

SEAC's list of rankings was then reviewed by staff alongside the list of the applicants' financial requests. The nearly half million dollars requested by the applicants was substantially higher than the \$180,000 set aside in the City's draft Fiscal Year 2012-2013 budget. In response to this disparity, staff's recommendation to the City Council was to approve a percentage – according to the SEAC ranking - of the funding requested by each of the top 10 events. The total funding recommendation was \$180,560.

Council reviewed the committee's rankings and staff's recommendations at its May 22 meeting. Based upon public comment received that evening and the subsequent discussion among the Council members, the City Council made and approved changes to funding recommendations. The end result is that the City's FY 13 Special Event Support totals \$212,200 for 10 community events.

Aviation Committee

PURPOSE

Generally, to assist the City in the implementation of Council Policy A-17 (Newport Beach City Council Airport Policy).

COMMITTEE AUTHORIZATION:

Established by Resolution #9597 (1979). Recently amended by Resolution #2011-31 (April 12, 2011).

COMMITTEE MEMBERS:

City Council (3) - Leslie Daigle (Chair), Rush Hill (Vice Chair), and Keith Curry.

City Manager Dave Kiff

City Attorney Aaron Harp

Council District representatives - Kay Mortenson, Henry Arjad (#1), Eleanor Todd, Gerald Scarborough (#2), Tom Anderson, Bonnie O'Neil (#3), Tom Meng, Ron Darling (#4), John Cunningham, Craig Page (#5), Shirley Conger, Lloyd "Bud" Rasner (#6), Suzanne Casey, Jim Dunlap (#7).

President of Airport Working Group - Tony Khoury

Representative from Airfair/SPON - Melinda Seely

Resident of Newport Coast/Newport Ridge - Roger Ham

General Aviation Representative – not yet named

LENGTH OF TERM FOR MEMBERS:

Not defined by Resolution.

FREQUENCY OF MEETINGS:

Monthly, on the last Monday unless otherwise noticed.

STAFF LIAISONS:

Dave Kiff, City Manager

Tom Edwards, Consultant

STAFF SUPPORT:

Tom Edwards' attendance at the meetings and his monthly "All Things Aviation" summary is part of his monthly retainer (\$5K/mo). Staff allocates approximately eight hours per month to this committee, although in this QBR period about 5 hours a week has been dedicated above that for Settlement Agreement Issues and discussion over a new departure pattern.

QUARTERLY PROGRESS REPORT:

The Aviation Committee again in this quarter spent time discussing the impacts to the community of the FAA's recent "NexGen" departure patterns for JWA, especially the "RAWLZ". RAWLZ is not yet adopted, but is intended to mimic the traditional departure patterns over Upper Newport Bay for flights staying west of Las Vegas or turning north (about 50% of all flights leaving JWA) and where the planes have cockpit equipment to follow the RAWLZ.

Committee members hear from JWA officials about JWAs passenger counts and the City's efforts to extend the neighborhood-friendly protections at JWA, including the commercial and general aviation curfews and the passenger and average daily departure caps. These efforts began in the first quarter of 2012 and continue today.

It generally is the Committee's position that the City always view Aviation via the lens of Council Policy A-17 (Newport Beach City Council Airport Policy). The policy does not speak to departure patterns that may impact one neighborhood over another, but it does speak to the importance (above all else) of the Settlement Agreement's protections.

More information can be found online at newportbeachca.gov/jwa.

Banning Ranch Development Agreement

PURPOSE:

To negotiate the terms of a pre-annexation and development agreement, which will describe development rights of and public benefits to be provided by the developer and outline the terms for annexation of the property to the City of Newport Beach.

COMMITTEE AUTHORIZATION:

Established by Resolution 2008-29

COMMITTEE MEMBERS:

Council Member Rosansky and Council Member Selich

LENGTH OF TERM FOR MEMBERS:

The committee will sunset upon City Council approval of the pre-annexation and development agreement, or earlier if so decided by the City Council.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Patrick Alford, Planning Manager

STAFF SUPPORT:

Staff allocates approximately 20 hours to this committee.

QUARTERLY PROGRESS REPORT:

During this quarter, negotiations with the applicant were completed and the draft agreement was finalized. On June 21, 2012, the Planning Commission voted to recommend that the City Council approve the agreement. Following the close of the quarter, in July 2012, the City Council introduced the ordinance approving the development agreement, and considered the ordinance for final adoption in August 2012.

The most recent Newport Banning Ranch project information can be found online at newportbeachca.gov/banningranch.

This committee is now disbanded.

General Plan/Local Coastal Program Implementation

PURPOSE:

The Committee is charged with the tasks of developing a work program for the following items and overseeing its progress:

- A. Revision of Coastal Land Use Plan;
- B. Revision of Zoning Code;
- C. Completion of Local Coastal Program Implementation Plan;
- D. Study of infrastructure needs associated with development authorized in the General Plan, and establishment of developer impact fees for infrastructure;
- E. Revision of City Council policies;
- F. Revision of Building Code;
- G. Public participation on the previous items; and
- H. Any other means of implementing the General Plan that may be assigned to the Committee by the City Council.

COMMITTEE AUTHORIZATION:

Established by Resolution No. 2006-106

COMMITTEE MEMBERS:

Council Member Selich (Chair), Mayor Gardner, Council Member Hill, and Planning Commission Chair Michael Toerge, Planning Commissioner Fred Ameri, and Planning Commission Vice Chair Bradley Hillgren

LENGTH OF TERM FOR MEMBERS:

Ongoing until such time as the need for the committee no longer exists.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Brenda Wisneski, Deputy Community Development Director

STAFF SUPPORT:

None

QUARTERLY PROGRESS REPORT:

The committee did not meet this quarter.

July 4th West Newport Safety Planning Committee

PURPOSE:

The July 4th West Newport Safety Committee was formed to assist the City of Newport Beach in identifying measures to help contain, and eventually eliminate, unruly behavior in West Newport on Independence Day. The Committee's goal is to create a safe, family friendly holiday environment that residents and visitors can equally enjoy.

COMMITTEE AUTHORIZATION:

Established by Council Resolution No. 2002-58 on September 10, 2002.

COMMITTEE MEMBERS:

Council Member Henn (Chair), Council Member Rosansky, Craig Batley, Mary Bryant, Paul Watkins, Margie Dorney, City Attorney or designee, Police Department staff member.

LENGTH OF TERM FOR MEMBERS:

Ongoing until such time as the need for the committee no longer exists.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Tara Finnigan, Public Information Manager

STAFF SUPPORT:

Minimal support needed for committee work. (Significant staff time expended for the traffic control, law enforcement, and community event efforts.)

QUARTERLY PROGRESS REPORT:

The committee met on April 16 to review and discuss the planning efforts for this year's Fourth of July holiday in West Newport Beach. Newport Beach Police Department (NBPd) staff members presented important changes to the traffic control plans and an updated enforcement strategy. They also provided a recap of last year's efforts, including the introduction and implementation of the City's Loud & Unruly Gatherings Ordinance (LUGO). During the 2011 July 4 holiday, the NBPd issued 16 LUGO citations. The department, working with the City Attorney's Office, believes the new law has made a positive impact on reducing the number of out-of-control parties.

The most significant change discussed for this year was the plan to fully open Balboa Boulevard to vehicular traffic to reduce opportunities for unruly crowds to gather. The NBPd and the committee had, in past years, discussed phasing in the "re-opening" of Balboa Boulevard by reducing the street closure area over a three-to-five year period. Due to the success of the first phase (2011) and the fact that the Fourth of July holiday falls on a Wednesday this year, it was determined that July 4, 2012 would be an appropriate time to test the street opening. NBPd and City Manager's Office staff will work on communicating the changes to area residents and businesses.

Representatives of the "Fourth of July is for Families" committee also shared plans for this year's Newport Peninsula parade and community festival.

Neighborhood Revitalization

PURPOSE:

The Neighborhood Revitalization Committee is a direct outgrowth of one of the five 2011 annual priorities identified by the City Council in February of 2011. The purpose of the Committee is to identify and then prioritize those areas of the community that should have an investment of time, thought, and resources to bring the areas up to "Newport Beach" standards. Following City Council approval of the prioritization, the Committee will identify desired outcomes, develop a plan to achieve them, and recommend budget appropriations to be approved by the City Council. Additionally, the Committee has identified and established Citizens Advisory Panels (CAPs) to guide and implement the revitalization strategy for each specific area, encouraging public input throughout the process.

COMMITTEE AUTHORIZATION:

Established by Resolution 2011-26

COMMITTEE MEMBERS:

Council Member Henn (Chair), Council Member Selich, and Council Member Hill

LENGTH OF TERM FOR MEMBERS:

Term ends December 31, 2012

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Kimberly Brandt, Community Development Director

STAFF SUPPORT:

The City Council allocated \$650,000 from Fiscal Year 2011-2012 budget savings to fund this overall effort to date. Depending upon specific tasks, additional budgetary allocations may be forthcoming. Staff allocates approximately five hours per meeting to this committee.

QUARTERLY PROGRESS REPORT:

During this quarter, the Neighborhood Revitalization Committee considered the Balboa Village Implementation Plan that was prepared by the Balboa Village CAP. The draft plan was presented to the committee on June 14 and it was approved on June 28. The committee is considering the creation of a new advisory committee to oversee the execution of the Implementation Plan and conducting a survey associated with a proposed overnight resident permit parking program. Additional meetings will be scheduled on an as needed basis.

More information can be found online at newportbeachca.gov/revitalization.



Tidelands Management

PURPOSE:

The goals of the Tidelands Management Committee are to:

- 1) Establish long term visions for the tidelands including the Upper and Lower Bays, beaches and other components;
- 2) Study and adopt a Tidelands Infrastructure Master Plan;
- 3) Research, consider and recommend appropriate governance structures;
- 4) Oversee ongoing execution of the Tidelands Infrastructure Master Plan projects; and
- 5) Identify and establish a Citizens Advisory Panel to assist the Committee, encouraging public input throughout the process.

COMMITTEE AUTHORIZATION:

Established by Resolution 2011-26

COMMITTEE MEMBERS:

Mayor Gardner, Council Member Henn (Chair) and Council Member Selich

CITIZENS ADVISORY PANEL MEMBERS:

Linda Beimfohr, John Corrough, Win Fuller, Terry Hartman, Jeff Herdman, Jerry King, Don Lawrenz, Doug West

LENGTH OF TERM FOR MEMBERS:

December 31, 2012

FREQUENCY OF MEETINGS:

The third Wednesday each month, unless otherwise noticed.



STAFF LIAISON:

Chris Miller, Harbor Resources Manager

STAFF SUPPORT:

Staff allocates approximately 30 hours per month to this committee.

QUARTERLY PROGRESS REPORT:

The Tidelands Management Committee met this quarter to discuss, review, or approve the following items:

- Tidelands Infrastructure Management Plan ("TIMP") – Citizens Advisory Panel review
- Linda Isle lagoon dredging - City prespective
- Lower Bay dredging update
- Harbor Commission membership on the Citizens Advisory Panel and update
- Nomination of a Harbor Commissioner (Doug West) as a member of the Citizens Advisory Panel

Updating Harbor Charges

PURPOSE:

The purpose of the Ad Hoc Committee on Updating Harbor Charges consists of updating Harbor Resources' cost of service fees and updating the City's harbor fees to reflect the fair market value for the use of the Tidelands by the associated user groups. Fees include permits for moorings (completed Fall 2010), Balboa Yacht Basin slip rates (completed Fall 2010), and commercial pier leases (in progress). These fees contribute to harbor projects such as dredging and the provision of additional harbor amenities.

COMMITTEE AUTHORIZATION:

Established by Resolution 2010-95

COMMITTEE MEMBERS:

Council Member Henn, Council Member Selich and Council Member Rosansky

LENGTH OF TERM FOR MEMBERS:

The committee expires at such time as it completes a review of harbor fees and recommendations of potential course of action are transmitted to the City Council for consideration.

FREQUENCY OF MEETINGS:

As needed

STAFF LIAISON:

Rob Houston, Assistant to the City Manager
Chris Miller, Harbor Resources Manager

STAFF SUPPORT:

Staff allocates approximately five hours a month to this committee.



QUARTERLY PROGRESS REPORT:

The committee has been meeting regularly and has hosted outreach meetings with the commercial harbor users to discuss the proposed plan for commercial marina leases and to solicit feedback.



Project Tracking Reports

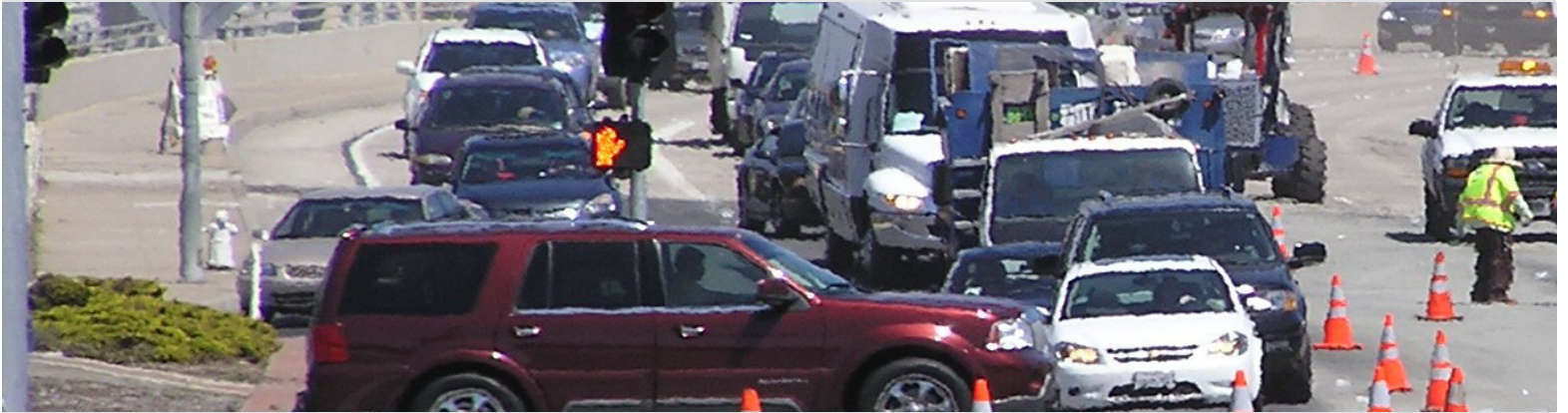
city of newport beach | city manager's office

newportbeachca.gov | 949.644.3001

quarter ending june 30, 2012

The City continues an ambitious and wideranging delivery of projects which represent the City Council goals and have been developed to meet current community needs and to serve future generations. The projects tracked in this report have been selected by the City Manager based on those which generate the most interest and are not all inclusive of the many projects currently taking place in the City.





Acquisition of Coast Highway

DEPARTMENT:

Public Works

PROJECT LEAD:

Dave Webb, Deputy PW Director/City Engineer

PROJECT START DATE:

2008

TARGET COMPLETION DATE:

2012

DESCRIPTION:

The goal of this project is to initiate a long range planning process to eventually create a Mariner's Mile Traffic, Pedestrian and Parking Comprehensive Plan, improve street landscaping along Coast Highway from the Santa Ana River to Jamboree Road, provide landscape improvements on Newport Boulevard through Lido Village, as well as improved coordination of traffic on and off the Balboa Peninsula. One option might be to acquire ownership of the necessary State right-of-way, or enter into an agreement with the State to allow construction of the desired improvements for portions of Coast Highway between Jamboree Road and the Santa Ana River, and Newport Boulevard between Finley Street and the West Channel Bridge. The acquisition process involves passing the appropriate legislation, State review of the facility for possible relinquishment, preparation of a report to the City on the facilities, development of an offer for City to acquire the facility, and the City accepting the offer or submitting a counter offer. There is no defined schedule for this lengthy and involved process.

Acquisition of Coast Highway

FUNDING SOURCE:

Sources for future improvements to be determined

TOTAL FUNDING REQUIRED FOR PROJECT:

To be determined

FUNDING ALLOCATED TO DATE:

None

AMOUNT SPENT TO DATE:

None other than staff time

STATUS TO DATE:

In September 2011, the California Department of Transportation (Caltrans) completed the draft Project Scope Study Report (PSSR) for the two segments of State Highway under consideration for relinquishment. Caltrans determined the total relinquishment offer, as identified in the PSSR, would be no more than \$117,000 for both facilities (\$20,000 for Newport Boulevard and \$97,000 for West Coast Highway). The offer value was basically derived by identifying what is believed necessary to bring the facilities up to a "safe and drivable condition". Caltrans also indicated the complete relinquishment process would take another 12 to 16 months from the point of accepting an offer to complete the change of ownership.

Caltrans' offer was presented and discussed at the City Council meeting on February 14, 2012. The City Council agreed with staff's recommendation to 1) accept the \$20,000 offer for the Newport Boulevard segment and to continue the relinquishment process; and 2) not accept the \$97,000 offer for West Coast Highway and have staff continue to work with Caltrans to explore options for completing the desired landscape improvements. Caltrans was notified of the City's intention in March.

As of July, 2012 staff has continued to work with Caltrans on the two roadway segments. With regard to West Coast Highway, City and State management staff, as well as legal counsel, have met several times and agreed to work toward developing a new roadway maintenance agreement that would allow the City to install the desired enhanced landscaping in exchange for accepting any tort liability associated with the landscaping features while not taking full ownership and maintenance responsibility for the roadway. We expect to see the first draft of the agreement in Fall 2012.

With regard to the relinquishment of Newport Boulevard from Finley Street and the West Channel Bridge, Caltrans staff is currently working on the required documents and legal maps. It is tentatively scheduled for City Council approval in May 2013. From there, the agreement goes to the California Transportation Commission in Summer 2013 with the relinquishment process estimated for completion in Fall 2013. Additionally, the State informed the City back in April 2012 that they no longer had any relinquishment funding available to pay the agreed upon \$20,000 fee (due to the on-going State financial problems). In an effort to keep the process moving forward, City staff negotiated with the Caltrans District Director to have at least \$20k in badly needed signal upgrades completed on the Finley Ave. and Via Lido signals, in lieu of the cash payment for the relinquishment. This work is currently being identified and programmed to allow the State to meet their obligation.



Civic Center & Park Construction

DEPARTMENT:

Public Works

PROJECT LEAD:

Steve Badum

PROJECT START DATE:

2008

TARGET COMPLETION DATE:

Late 2012

Civic Center & Park

DESCRIPTION:

The Civic Center & Park construction project includes a LEED silver City Hall office building, one of the city's largest parks (15 acre), a 450-space parking structure, an emergency readiness center, a restored wetlands, a dog park and an expansion of the Newport Beach Central Library. It is located on two parcels inland of the Newport Beach Central Library and bordered by Avocado Avenue and MacArthur Boulevard. The project also includes a community room, new Council Chambers, a "One Stop" Customer Service Center, a civic green, and a small café to serve library and city hall customers.

FUNDING SOURCE:

Bond Proceeds and General Fund

FUNDING REQUIRED FOR CONSTRUCTION:

\$105,306,931 (estimated construction-does not include soft costs)

FUNDING ALLOCATED TO DATE:

\$105,306,931 (hard construction costs only)

AMOUNT SPENT TO DATE:

\$66,775,484

STATUS TO DATE:

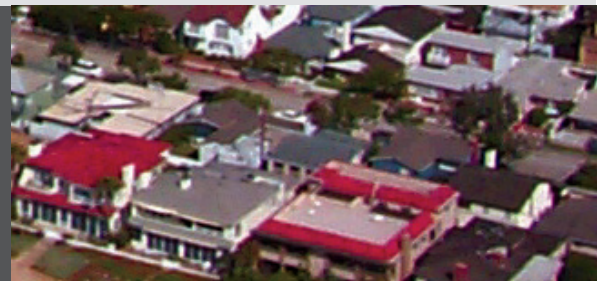
The Civic Center and Park project remains on schedule and budget. The installation of the curtain wall (glass and aluminium exterior) is 95% complete. The construction of interior walls is well underway along with the electrical, plumbing and HVAC systems. Fine grading and the construction of the walkways in the park are also underway.

The project is scheduled to be substantially complete in December 2012 with the inaugural City Council meeting planned to take place in the new City Council Chambers on December 11. The transition of staff will occur in late January or early February after the building has been fully commissioned.

The Public Works Department prepares a project newsletter every other month with updated construction information and photos. It is available for viewing online at newportbeachca.gov/civiccenter.



Group Residential Uses



DEPARTMENTS:

City Attorney's Office, City Manager's Office, Community Development

PROJECT LEAD:

City Attorney and City Manager

PROJECT START DATE:

2007

TARGET COMPLETION DATE:

Ongoing

DESCRIPTION:

Implement and defend group home regulations to maintain the residential character of the City's residential neighborhoods while providing equal access to housing and accommodating the needs of the disabled.

FUNDING SOURCE:

General Fund and Fund Balance

TOTAL FUNDING REQUIRED FOR PROJECT:

All costs have not been specifically identified since a great deal of the costs is internal, staff resources from the City Manager's Office, City Attorney's Office, Planning, and Code Enforcement.

FUNDING ALLOCATED TO DATE:

\$3.136 million in outside counsel and litigation costs to date.

AMOUNT SPENT TO DATE:

\$3.136 million on outside counsel plus internal staffing and the Hearing Officer for administrative proceedings.

Group Residential Uses

STATUS TO DATE:

Ordinance No. 2008-05 has been adopted and enforced through all necessary administrative proceedings. The City is at the stage of defending the Ordinance in federal court and in U.S. Department of Justice and Department of Housing and Urban Development proceedings. Additionally, the City is in litigation with several operators of group homes who have failed to comply with the provisions of the Municipal Code. As to these issues:

(1) Federal Litigation:

The federal litigation against the City was successfully resolved in the City's favor but is on appeal before the 9th Circuit Court of Appeals. The case is fully briefed and we anticipate a hearing date being set in the Fall, with final resolution within three to six months after the hearing.

(2) Challenge to Morningside Zoning Agreement:

Maintain Our Residential Neighborhoods ("MORN") has filed a challenge to the adoption of the Zoning Agreement with Morningside Recovery that was the vehicle for settling the federal court litigation involving the City and Morningside Recovery. This case is set for trial in October; however, it is anticipated that the trial will be continued (or stayed) given the Court's ruling that the City lawfully terminated the Zoning Agreement with Morningside. (See, Enforcement of Morningside Zoning Agreement, Item No. 3 below.)

(3) Enforcement of Morningside Zoning Agreement:

On August 9, 2011, the Council adopted Ordinance No. 2011-20, which terminated the Zoning Agreement between the City and Morningside. Morningside has filed a challenge to the City's termination of the Zoning Agreement in Orange County Superior Court and the City has filed a cross-complaint against Morningside seeking to abate the violations of the City's Zoning Code at 4823 A River Avenue, 4823 B River Avenue, 29 Ima Loa Court, 100 Via Antibes, 102 Via Antibes, 208 Via Lido Soud and 533 Via Lido Soud. On December 15, 2011, the Court granted the City's motion for a preliminary injunction and ordered Morningside to fully comply with all of the operating conditions in the Zoning Agreement during the pendency of the litigation and prohibited Morningside from opening any new unlicensed facilities within the City or expanding any of its existing facilities to serve more clients. On June 19, 2012, the Court granted the City's motion upholding the City's decision to terminate the Zoning Agreement. The City has now filed a motion to request the Court enter judgment in favor of the City and against Morningside on the City's cross-complaint to abate violations of the City's Zoning Code. The hearing on this motion is set for August 15, 2012.

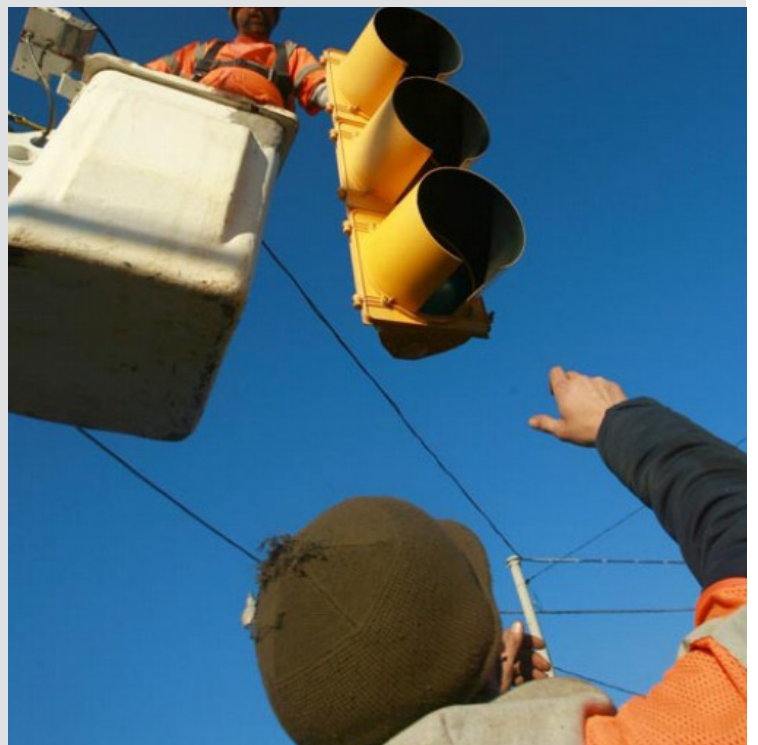
(4) Enforcement Against Yellowstone:

With the Council's authorization, on October 11, 2011, the City filed a civil case seeking to abate four Yellowstone residential care facilities located at 1621 Indus Street, 1561 Indus Street, 20172 Redlands Drive and 1571 Pegasus Street based on Yellowstone's alleged violation of the Newport Beach Municipal Code. Discovery is on-going and this case is anticipated to proceed to trial in the Spring of 2013.

(5) Enforcement Against Pacific Shores:

Efforts are ongoing in the enforcement of the City's Group Residential Use Regulation, including the enforcement of the conditions of approval of permitted uses and operating conditions under a zoning agreement entered into by the City. These efforts involve substantial resources from the Community Development Department and its Code Enforcement Division, as well as the City Attorney's Office. In this context, staff is addressing applications under the ordinance and investigating allegations of violations of these regulations and possible unpermitted operations within the city of Newport Beach.

Implement Traffic Management Plan



Implement Traffic Management

DEPARTMENT:

Public Works

PROJECT LEAD:

Steve Badum, Public Works Director

PROJECT START DATE:

January 2007

TARGET COMPLETION DATE:

Fall 2013

DESCRIPTION:

This project improves and modernizes traffic signals throughout the city to improve system reliability, traffic flow and to reduce congestion. The implementation of the traffic signal modernization program allows staff to monitor, adjust and optimize traffic signal timing and operations from the Traffic Management Center (TMC) located at City Hall. The program consists of upgrades to 119 traffic signals with new controllers, fiber optic connections, and Closed Circuit Television (CCTV) cameras at selected intersections.

FUNDING SOURCE:

Transportation and Circulation, Measure M Turnback, Measure M Competitive

TOTAL FUNDING REQUIRED FOR PROJECT:

\$6,500,000

FUNDING ALLOCATED TO DATE:

\$5,900,000 (excludes Phase 8)

AMOUNT SPENT TO DATE:

\$5,000,000

STATUS TO DATE:

Due to the overall size of the traffic modernization program, it was divided into eight phases. To date, 90 traffic signals have been upgraded and linked to the new high speed fiber optic backbone, 27 CCTV cameras have been installed, and the new TMC is operational. The City's annual traffic signal rehabilitation program is for performing necessary maintenance on existing signal equipment and was combined with the modernization program for efficiency. The noted funding information only includes estimates for the traffic modernization program.

Program Overview:

- Phases 1 through 5 and Phase 7 are complete and operational. These phases included the intersections along Balboa Peninsula, Superior Avenue, MacArthur Boulevard, Jamboree Road, City owned portions of Coast Highway, intersections in the airport area, Newport Center and along Irvine Avenue.
- Phases 6 and 8 includes improvements to Newport Coast Drive, San Miguel Drive, Bonita Canyon Drive, and portions of San Joaquin Hills Road. The design of Phase 6 is planned for Summer 2012. Measure M2 grant funding was awarded for a portion of the project's construction. Portions of Phase 8 will be designed and constructed through a cooperative agreement with the City of Irvine in fiscal year 2012-13. This partial phase was also awarded Measure M2 grant funding for construction.

Lower Bay Dredging



Lower Bay Dredging

DEPARTMENT:

Public Works

PROJECT LEAD:

Chris Miller, Harbor Resources Manager

PROJECT START DATE:

2012

TARGET COMPLETION DATE:

December 2012

DESCRIPTION:

The project initially included dredging approximately 1.2 million cubic yards in the main navigational channels of the Lower Bay by the federal government. Due to budget constraints, the Army Corps of Engineers initiated a smaller project to dredge approximately 350,000 cubic yards of material in the harbor's critical areas. About two-thirds of the material is suitable (clean) for ocean disposal at the off-shore site "LA-3", with the remaining material to be disposed of at the Port of Long Beach ("POLB"). The project commenced May 1, 2012, and the contractor disposed a majority of the POLB bound material by June 30, 2012 as well as a large amount of LA-3 material.

FUNDING SOURCE:

Federal Funds and Tidelands

TOTAL FUNDING REQUIRED FOR PROJECT:

\$11.5 million (Phases I & II)

FUNDING ALLOCATED TO DATE:

\$400,000 (O&M City Tidelands); \$100,000 (City CIP); \$2.4 million in federal funds; \$2.0 million in additional federal funds, \$2.5 million contributed by the City of Newport Beach; and approximately \$1.5 million is under consideration to be contributed by the County. (The remaining funding gap for Phase II will be discussed in next quarter's report.)

AMOUNT SPENT TO DATE:

\$400,000 for O&M Tidelands for sediment testing; \$4.4 million for federal funds to award contract; and \$2.5 million for City O&M Tidelands to award contract.

STATUS TO DATE:

The Port of Long Beach executed an amendment to an existing agreement with the City to dispose unsuitable ocean material in the Port's Middle Harbor Fill project. The Corps awarded the contract to R.E. Staite Engineering, and they commenced dredging on May 1. The project will last until approximately December 2012.

In an effort to meet the Port of Long Beach's delivery schedule, dredging operations were permitted seven days a week on an around the clock (24 hour) schedule. Once the City delivered the Port material, "normal" dredging hours resumed.

For more project information and an up-to-date construction schedule, visit newportbeachca.gov/lowerbaydredging.

Marina Park



Marina Park

DEPARTMENT:

Public Works

PROJECT LEAD:

Dave Webb, Deputy PW Director/City Engineer

Iris Lee, Senior Civil Engineer

PROJECT START DATE:

2006

TARGET COMPLETION DATE:

Summer 2015

DESCRIPTION:

The approved Marina Park concept plan proposes a new marina which includes a 23 slip visiting vessel marina, visitor side tie dock and floating docks to support youth and adult sailing programs and mooring support services, 12,700 square foot sailing center building, 10,800 square foot community center building, new park with amenities including half court basketball courts, tot lot and playground, exercise circuit, walking paths and beach area, new Girl Scout house and parking.

The Marina Park site is located on the bay side of Newport Peninsula between 15th and 18th Streets. The 10.4 acre site is owned by the City and is currently being used for several purposes including a 57 space mobile home park, Las Arenas and Veterans Memorial Parks, Balboa Community Center and parking lots, 18th Street Sailing Base and leased space for a Girl Scouts meeting facility.

FUNDING SOURCE:

General Fund-Major Facilities

TOTAL FUNDING REQUIRED FOR PROJECT:

\$30,000,000

FUNDING ALLOCATED TO DATE:

\$13,900,000

AMOUNT SPENT TO DATE:

\$2,028,000

STATUS TO DATE:

With the recent California Coastal Commission's approval of the Marina Park Project, staff is currently working on getting an approved Coastal Development Permit and moving forward with the project design. Staff is reviewing the 100% design development documents and will be preparing the construction documents shortly. Our current schedule now estimates construction starting in early 2013, with completion by Summer 2015.

Project Timeline:

- Coming months – U.S. Army Corps of Engineers' 404 permit conditional approval, but cannot be formally issued until the coastal permit is approved. Moving forward with Coastal Development Permit.
- June 2012 – California Coastal Commission Public Hearing - approved.
- November 2011 – State Lands Commission approved Tidelands Boundary Agreement and City deleted the proposed tennis courts from the project.
- May 2011 – State Regional Water Quality Control Board 401 permit approval
- January 19, 2011 – CCC second incomplete letter and notification a Tidelands boundary issue needs to be resolved by State Lands Commission. November 13, 2007 - City Council approval of Marina Park concept plan
- December 21, 2010 – CCC permit application resubmitted
- November 30, 2010 – CCC incomplete letter
- October 7, 2010 – CCC permit application submitted
- May 11, 2010 – City Council approval of Environmental Impact Report
- November 13, 2007 - City Council approval of Marina Park concept plan

Project information is available online at newportbeachca.gov/marinapark.

Newport Banning Ranch



Newport Banning Ranch

DEPARTMENTS:

Community Development, Public Works, City Attorney's Office, and City Manager's Office

PROJECT LEAD:

Patrick Alford, Planning Manager

PROJECT START DATE:

August 2008

TARGET COMPLETION DATE:

August 2012

DESCRIPTION:

Newport Banning Ranch is a 402.3-acre planned community proposed by Newport Banning Ranch, LLC; a partnership formed by Aera Energy, Cherokee Investment Partners, and Brooks Street. The project would contain a maximum of 1,375 dwelling units, 75,000 square feet of retail commercial, a 75-room "boutique" hotel, parks, and open space. The site is generally bound to the north by Talbert Nature Preserve/Regional Park (Costa Mesa); to the south by West Coast Highway and the Newport Shores Community; to the east by Newport Crest Community, West Newport Mesa, and Westside Costa Mesa; and to the west by a U.S. Army Corps of Engineers wetlands restoration area and the Santa Ana River. Approximately 40 acres of the site are located within the incorporated boundary of the City of Newport Beach; the remainder of the site is within unincorporated Orange County, but within the City of Newport Beach's adopted Sphere of Influence.

FUNDING SOURCE:

General Fund (off-set by application fees)

TOTAL FUNDING REQUIRED FOR PROJECT:

\$4 million (estimated)

FUNDING ALLOCATED TO DATE:

\$3,547,030

AMOUNT SPENT TO DATE:

\$3,437,605.76

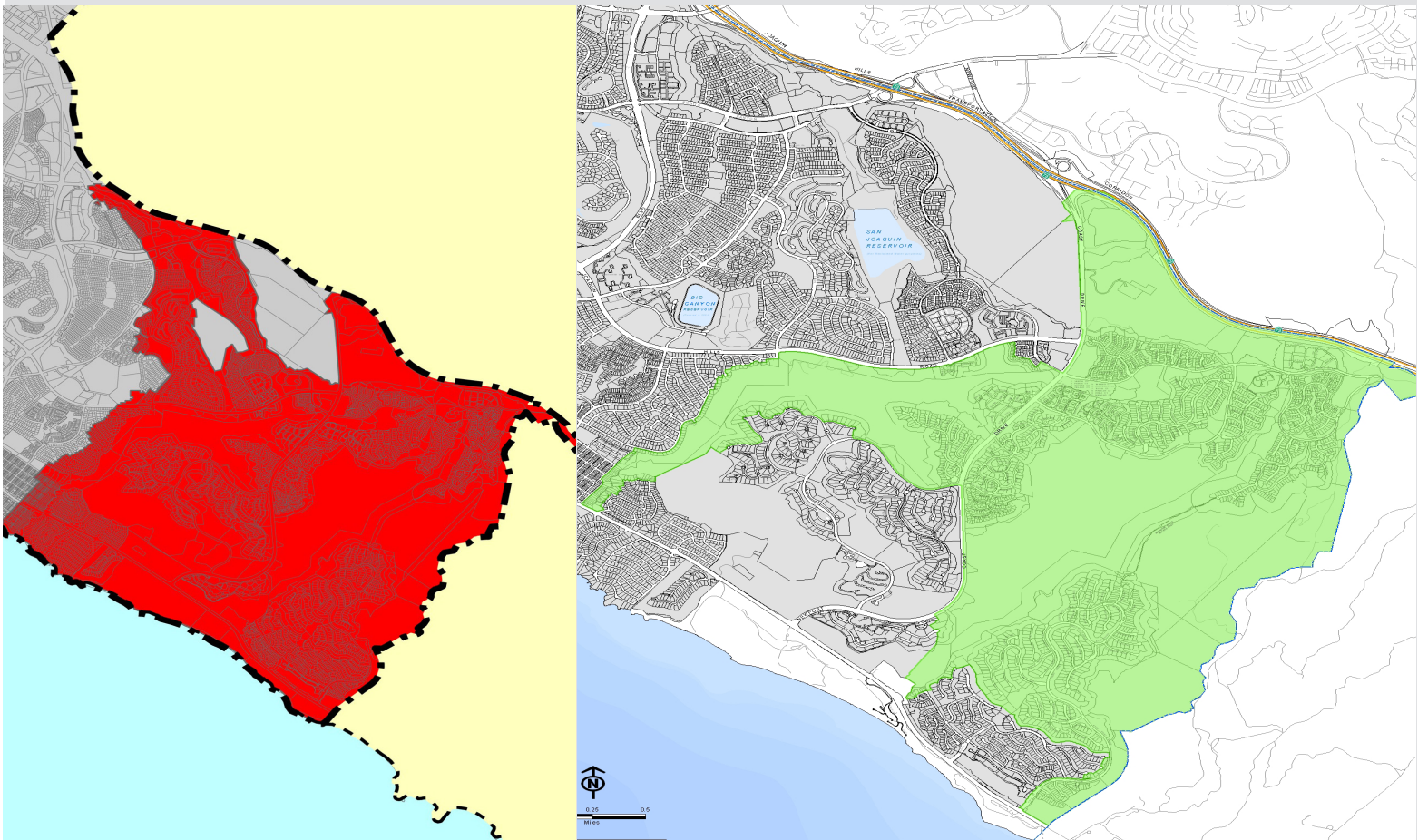
STATUS TO DATE:

The Planning Commission held four study sessions on the project and on June 21, 2012 voted to recommend approval of the project to the Council. It is anticipated that on July 23, the City Council will approve various components of the Newport Banning Ranch project, and on August 14, will give final consideration to the project components which require the adoption of an ordinance.

Project information can be found online at newportbeachca.gov/banningranch.

Note: Following the close of the quarter, the Banning Ranch project was approved by the City Council at its August 14 meeting.

Reduce Fire Hazard in Buck Gully



Reduce Fire Hazard in Buck Gully

DEPARTMENT:

Fire

PROJECT LEAD:

Kevin Kitch, Assistant Chief

PROJECT START DATE:

2007

TARGET COMPLETION DATE:

2012

DESCRIPTION:

Currently, Buck Gully and Morning Canyon are designated as Special Fire Protection areas and are included in our Hazard Reduction Program. State Law requires the Director of Forestry and Fire Protection to identify areas in the state which are Very High Fire Hazard Severity Zones (VHFHSZ) based on consistent criteria using the latest computer models based on topography, fuel loading, fire weather conditions and historical data. People living within the VHFHSZ delineated on the State Map are subject to the provisions in the California Government Code sections 51175 through 51189. A major part of Buck Gully is located in this zone.

In summary, California Legislature declared wildfires to be extremely costly, not only to property owners and residents but also to local agencies. Preventive measures are needed to ensure the preservation of the public peace, health, or safety. The VHFHSZ maps will allow the provisions of this law to be enforced and specifically requires property owners within a VHFHSZ to create and maintain a defensible space; disclose the property is located within a VHFHSZ; and utilize design standards and construction materials to resist the intrusion of flame or burning embers from wildfires.

FUNDING SOURCE:

Unknown

TOTAL FUNDING REQUIRED FOR PROJECT:

Unknown. There are no direct costs with the adoption of the ordinance; however, there will be additional costs associated with identifying properties requiring defensible space maintenance.

FUNDING ALLOCATED TO DATE:

\$190,000 is budgeted for Fuel Modification maintenance and the citywide weed abatement and hazard reduction program has \$46,114.

AMOUNT SPENT TO DATE:

Hazard Reduction and Fuel Modification programs run seasonally and have expended \$251,544.32 and \$6,200.68 respectively.

STATUS TO DATE:

The State's final VHFHSZ map was delivered to Newport Beach on October 27, 2011. This map depicts only the Very High Fire Hazard Severity Zones as required by State law. When Fire Chief Poster started with the City, he did a thorough review of the State map and conducted additional field research, which included gathering wind speed measurements during two Santa Ana wind events, ground and aerial reconnaissance of terrain and vegetation, and existing special fire protection areas. He took that information and made revisions to the VHFHSZ map for our local responsibility area that is tailored to the City and accurately identifies the VHFHSZ.

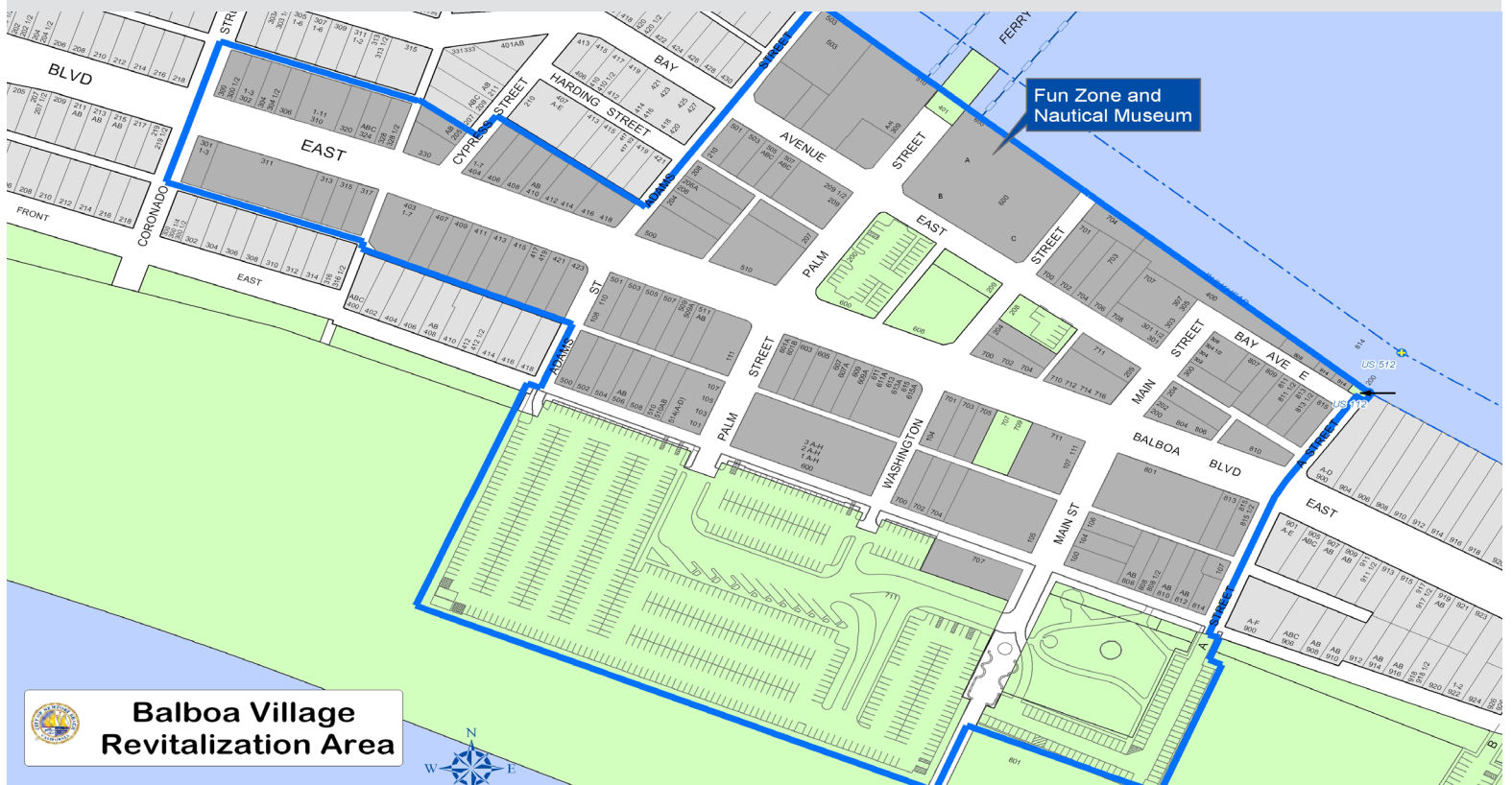
At the March 13, 2012 City Council Study Session, Fire Chief Poster and his team presented the State map along with his research findings and the revised Very High Fire Hazard map. It was also reported that measurements had not been made regarding the impact on homes in Newport Beach with the newly modified map; however, if a home abuts vegetation and a slope, the homeowner would need to take action. In addition, most of the areas already had fire modification zones in place.

The Fire Department shared the revised map and discussed what would be required by homeowners within the zone at several community outreach meetings.

The Cal Fire map (shown in red) and the revised Newport Beach local area responsibility VHFHSZ map (shown in green) are depicted to the left. These maps are available for viewing online at newportbeachca.gov/firehazardmap.

Note: Following the close of the quarter, on July 10, the City Council adopted the revised map.

REVITALIZATION PRIORITY AREA: Balboa Village



Revitalization Priority Area: Balboa Village

DEPARTMENT:

Community Development

PROJECT LEAD:

Kimberly Brandt, Community Development Director

PROJECT START DATE:

August 2011

TARGET COMPLETION DATE:

Within fiscal year 2011-2012

DESCRIPTION:

The goal of this project is for the preparation of an economic vision and revitalization strategy that addresses market opportunities and constraints, infrastructure opportunities, and previous economic development efforts within Balboa Village.

The purpose of this project is directly tied to the City Council's revitalization priority. The City Council Ad Hoc Neighborhood Revitalization Committee has prioritized the preparation of a refreshed "Vision Plan" for Balboa Village for fiscal year 2011-2012. The Ad Hoc Committee appointed the Citizens Advisory Panel (CAP) to guide the preparation of the design. CAP members are Terri Pasqual, Ralph Rodheim, Craig Smith, Jim Stratton, Mark Hoover. Council Member Henn is participating as a liaison to the Ad Hoc Revitalization Committee and the City Council.

FUNDING SOURCE:

General Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

Funding to be determined and is dependent upon the full scope of necessary analysis. Staff has allocated 125 hours to support this project.

FUNDING ALLOCATED TO DATE:

A consulting project manager/facilitator (Cindy Nelson) has been retained at an approximate cost of \$60,000. Keyser Marston and Associates and Nelson Nygaard have been retained to conduct economic and parking analysis, respectively, at an approximate cost of \$87,500. Destination Consulting Group has been retained at a maximum cost of \$5,000.

AMOUNT SPENT TO DATE:

Approximately \$134,000

STATUS TO DATE:

The Balboa Village CAP has conducted ten public meetings to date. The initial meetings were devoted to the identification of a future vision and familiarizing themselves with prior work prepared by the Balboa Peninsula Planning Advisory Committee (BPPAC). The CAP received updates on future plans from the Newport Harbor Nautical Museum (ExplorOcean) and Balboa Theater; and Gary Sherwin of Visit Newport Beach gave a presentation on its efforts to promote a brand promise for Newport Beach.

The consultants prepared an economic and market conditions assessment and a comprehensive parking management strategy for the Balboa Peninsula. The CAP formed a sub-group tasked with working with Visit Newport Beach and the community to further refine the Balboa Village vision and develop a brand promise. The City engaged Destination Consulting Group to conduct opinion research on the area so that empirical data would be available to support the vision and brand promise.

On May 15, the CAP reviewed and approved the draft Balboa Village Implementation Plan ("Plan"). The Plan identifies a new vision and direction for Balboa Village and it outlines key steps to be taken over time with the goal of revitalizing the area. Strategies were also developed with the intent to create new revenues in the district to support the implementation programs, while minimizing the impact to the general fund. The Plan includes a series of administrative, economic development, planning & zoning, parking, and public streetscape initiatives that should bring about positive change for Balboa Village. The Plan includes a prioritization matrix that will be used as a work program. On June 28, 2012, the Neighborhood Revitalization Committee reviewed and commented on the draft Plan. The Plan will be reviewed by both the Harbor and Planning Commissions in July. The City Council was scheduled to review the Plan in August 2012.

CAP information is available online at newportbeachca.gov/revitalization.

Sunset Ridge Park



Sunset Ridge Park

DEPARTMENT:

Public Works

PROJECT LEAD:

Andy Tran, Senior Civil Engineer

PROJECT START DATE:

August 2007

TARGET COMPLETION DATE:

Winter 2013

DESCRIPTION:

The proposed 13.7 acre Sunset Ridge Park is situated on the northern corner of West Coast Highway and Superior Avenue in West Newport Beach. Sunset Ridge Park is planned to be an active park per the city's General Plan with amenities including Pony League baseball field, soccer fields, parking area, restroom, butterfly garden, shaded viewpoint, walkways, walls, signs, and fencing.

FUNDING SOURCE:

General Fund and Park-in-lieu

TOTAL FUNDING REQUIRED FOR PROJECT:

\$12,000,000*

FUNDING ALLOCATED TO DATE:

\$11,205,000*

*Not including cost of land purchased from Caltrans for \$5,200,000.

AMOUNT SPENT TO DATE:

\$2.1 million


STATUS TO DATE:

On November 2, 2011, the California Coastal Commission (CCC) held a public hearing on the project. Unfortunately, the CCC was poised to recommend denial of the park application due to concerns from pending plans for the Newport Banning Ranch development needing to be reviewed prior to approval of the park access road. For that reason, staff withdrew the application.

A revised application was resubmitted on December 16, 2011 to allow construction of the active park without taking public access from across the Newport Banning Ranch property. Following the close of the quarter, the park was approved by the CCC at its August 9 meeting.

Project information is available online at newportbeachca.gov/sunsetridgepark.

Construction is anticipated to begin in Winter of 2013 with an estimated project completion by Spring of 2014. This timeline depends on CCC issuing a timely permit for the project and reasonable conditions for its construction.

Transportation Fair Share Fee



Transportation Fair Share Fee

DEPARTMENTS:

Public Works and Community Development

PROJECT LEAD:

Steve Badum, Public Works Director
Antony Brine, City Traffic Engineer

PROJECT START DATE:

February 2007

TARGET COMPLETION DATE:

To be determined

DESCRIPTION:

In 1984, City Council established the Fair Share Traffic Contribution Ordinance to ensure development contributes its fair share towards improvements included in the City's Master Plan of Arterial Highways and General Plan Traffic Circulation Element.

The ordinance established a fair and equitable method to distribute costs of the circulation system improvements necessary to accommodate the traffic volumes generated by development. From time to time, the City Council has updated this ordinance as costs have risen and whenever the General Plan has been updated.

Since the City updated the General Plan, the Implementation Committee has been working on an update of the fair share fee.

FUNDING SOURCE:

General Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

\$100,000

FUNDING ALLOCATED TO DATE:

\$65,200

AMOUNT SPENT TO DATE:

\$65,200

STATUS TO DATE:

The completion of updating the Fair Share Traffic fee has stalled with various iterations proposed by the General Plan/ LCP Implementation Committee, project consultants and interested parties such as the Building Industry Association of Orange County. The most recent version was reviewed by the GP/ LCP committee and the final report, prepared by a consultant, is currently being reviewed by staff. Staff will prepare an updated schedule after discussions with the City Manager.

West Newport Beach Facility Planning



West Newport Beach Facility Planning

DEPARTMENTS:

Public Works, Finance, and
City Manager's Office

PROJECT LEAD:

Steve Badum, Public Works Director
Dave Kiff, City Manager
Tracy McCraner, Finance Director

PROJECT START DATE:

April 2011

TARGET COMPLETION DATE:

On-going

DESCRIPTION:

Most of the City's public buildings and facilities on the west side of the city are reaching the end of their service life and are in need of major refurbishment or replacement. In 2006, the City developed a comprehensive citywide Facilities Financing Plan as a tool to identify, forecast and fund the refurbishment and/or replacement of numerous City owned facilities including police and fire stations, libraries, community and senior centers, services yards and parks. With the upcoming relocation of City Hall to the new Civic Center Complex, discussions have and continue to take place as to how best to reconstruct the remaining facilities to meet current and future community needs.

The West Newport Beach Facility Planning process will include building upon the current efforts to redevelop the existing City Hall site and develop conceptual plans and alternatives to provide: consolidated maintenance and operations facilities; replacement and potentially relocated community center facilities and fire stations; replacement of the existing Lifeguard Headquarters building with smaller, more efficient facilities located at Newport and Balboa Piers; as well as continuing discussions regarding the future of various other City facilities, particularly those located on the western side of the Newport Bay.

FUNDING SOURCE:

General Fund

TOTAL FUNDING REQUIRED FOR PROJECT:

To be determined

FUNDING ALLOCATED TO DATE:

\$75,000

AMOUNT SPENT TO DATE:

\$75,000

STATUS TO DATE:

The needs assessment for the reuse of the City's Corporation Yard (located at 592 Superior Avenue) and the Utility Yard (located at 949 W. 16th Street) was completed in February 2012. Staff continues to review that report and is making plans to implement some of the recommendations. Staff also continues to review the conceptual plan for the relocation of the City's Police Department and the development of a consolidated West Newport Community Center. Further advancement of these concepts will rely on City Council direction regarding the disposition of the City's Refuge program. In addition, we continue to explore potential alternative locations for the replacement of Fire Station No. 2 (located adjacent to City Hall) to allow for a more efficient reuse of the current City Hall site.



Widen Jamboree Road in the Airport Area



Widen Jamboree Road in the Airport Area

DEPARTMENT:

Public Works

PROJECT LEAD:

Andy Tran, Senior Civil Engineer

PROJECT START DATE:

January 2005

TARGET COMPLETION DATE:

Summer 2012

DESCRIPTION:

This two-phase project involves widening the Jamboree Road Bridge over the SR73 Freeway by 22 feet to the west (Phase 1); and then widening Jamboree Road at the intersection of MacArthur Boulevard between Bristol Street North and Fairchild Road (Phase 2) in an effort to reduce projected traffic congestion and delay.

Phase 1 of the bridge widening project creates one additional northbound and southbound thru lane on Jamboree Road between MacArthur Boulevard and Bristol Street South. This project required developing a design and obtaining approval and a permit from Caltrans for this State-owned bridge. Additionally, the project required negotiations and purchase of three pieces of private property as well as several Orange County Transportation Authority (OCTA) grant funding applications and successful funding award.

Phase 2 of the Jamboree Road Improvements will provide one additional northbound lane through the MacArthur Boulevard intersection, as well as an additional left turn lane from southbound Jamboree Road onto eastbound MacArthur Boulevard. This phase also involves negotiations and voluntary purchase of three pieces of private property within the City of Irvine, as well as several OCTA grant funding applications and successful funding award.

FUNDING SOURCE:

Transportation and Circulation, IBC Settlement, Measure M Turnback, and Measure M Competitive

TOTAL FUNDING REQUIRED FOR PROJECT:

\$9.2 million

FUNDING ALLOCATED TO DATE:

\$10 million

AMOUNT SPENT TO DATE:

\$9 million

STATUS TO DATE:

On March 8, 2011, the Jamboree Road Bridge Widening Project (Phase 1) was awarded for construction by City Council. Construction began in May 2011 and is approximately 90% complete with an estimated completion in Summer 2012.

The design of Phase 2 of the Jamboree Road Improvements project is complete and the necessary right-of-way on the northeast corner of the intersection (within the City of Irvine) has also been acquired from the three adjacent private property owners. The construction contract is scheduled to be awarded by the City Council in September 2012, with the project completion estimated for February 2013.

